

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 4-22-2-37.1, AS AMENDED BY P.L.141-2003,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking
- 5 action resulting in any of the following rules:
- 6 (1) An order adopted by the commissioner of the Indiana
- 7 department of transportation under IC 9-20-1-3(d) or
- 8 IC 9-21-4-7(a) and designated by the commissioner as an
- 9 emergency rule.
- 10 (2) An action taken by the director of the department of natural
- 11 resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- 12 (3) An emergency temporary standard adopted by the
- 13 occupational safety standards commission under
- 14 IC 22-8-1.1-16.1.
- 15 (4) An emergency rule adopted by the solid waste management
- 16 board under IC 13-22-2-3 and classifying a waste as hazardous.
- 17 (5) A rule, other than a rule described in subdivision (6), adopted
- 18 by the department of financial institutions under IC 24-4.5-6-107
- 19 and declared necessary to meet an emergency.
- 20 (6) A rule required under IC 24-4.5-1-106 that is adopted by the
- 21 department of financial institutions and declared necessary to meet
- 22 an emergency under IC 24-4.5-6-107.
- 23 (7) A rule adopted by the Indiana utility regulatory commission to

- 1 address an emergency under IC 8-1-2-113.
- 2 (8) An emergency rule jointly adopted by the water pollution
- 3 control board and the budget agency under IC 13-18-13-18.
- 4 (9) An emergency rule adopted by the state lottery commission
- 5 under IC 4-30-3-9.
- 6 (10) A rule adopted under IC 16-19-3-5 that the executive board
- 7 of the state department of health declares is necessary to meet an
- 8 emergency.
- 9 (11) An emergency rule adopted by the Indiana transportation
- 10 finance authority under IC 8-21-12.
- 11 (12) An emergency rule adopted by the insurance commissioner
- 12 under IC 27-1-23-7.
- 13 (13) An emergency rule adopted by the Indiana horse racing
- 14 commission under IC 4-31-3-9.
- 15 (14) An emergency rule adopted by the air pollution control board,
- 16 the solid waste management board, or the water pollution control
- 17 board under IC 13-15-4-10(4) or to comply with a deadline
- 18 required by federal law, provided:
- 19 (A) the variance procedures are included in the rules; and
- 20 (B) permits or licenses granted during the period the
- 21 emergency rule is in effect are reviewed after the emergency
- 22 rule expires.
- 23 (15) An emergency rule adopted by the Indiana election
- 24 commission under IC 3-6-4.1-14.
- 25 (16) An emergency rule adopted by the department of natural
- 26 resources under IC 14-10-2-5.
- 27 (17) An emergency rule adopted by the Indiana gaming
- 28 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 29 (18) An emergency rule adopted by the alcohol and tobacco
- 30 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
- 31 IC 7.1-3-20-24.4.
- 32 (19) An emergency rule adopted by the department of financial
- 33 institutions under IC 28-15-11.
- 34 (20) An emergency rule adopted by the office of the secretary of
- 35 family and social services under IC 12-8-1-12.
- 36 (21) An emergency rule adopted by the office of the children's
- 37 health insurance program under IC 12-17.6-2-11.
- 38 (22) An emergency rule adopted by the office of Medicaid policy
- 39 and planning under IC 12-15-41-15.
- 40 (23) An emergency rule adopted by the Indiana state board of
- 41 animal health under IC 15-2.1-18-21.
- 42 (24) An emergency rule adopted by the board of directors of the
- 43 Indiana education savings authority under IC 21-9-4-7.
- 44 (25) An emergency rule adopted by the Indiana board of tax
- 45 review under IC 6-1.1-4-34.
- 46 (26) An emergency rule adopted by the department of local

government finance under IC 6-1.1-4-33.

(27) An emergency rule adopted by the boiler and pressure vessel rules board under IC 22-13-2-8(c).

(28) An emergency rule adopted by the Indiana board of tax review under IC 6-1.1-4-37(l) or an emergency rule adopted by the department of local government finance under IC 6-1.1-4-36(j) or IC 6-1.1-22.5-20.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, IC 22-8-1.1-16.1, and IC 22-13-2-8(c), **and except as provided in subsection (j)**, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), **(a)(25), (a)(26), or (a)(28)**, the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. **A rule adopted under subsection (a)(28) and, subject to**

subsection (j), a rule adopted under subsection (a)(25) or (a)(26) may be extended for an unlimited number of extension periods.

Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

- (1) sections 24 through 36 of this chapter; or
- (2) IC 13-14-9;

as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

- (1) The expiration date stated by the adopting agency in the rule.
- (2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

(j) A rule described in subsection (a)(25) or (a)(26) expires not later than January 1, 2006.

SECTION 2. IC 5-13-10.5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The treasurer of state may invest or reinvest funds that are held by the treasurer and that are available for investment in obligations issued by any of the following:

- (1) Agencies or instrumentalities of the United States government.
- (2) Federal government sponsored enterprises.

(3) The Indiana bond bank, if the obligations are secured by tax anticipation time warrants or notes that:

(A) are issued by an entity described in IC 5-1.5-1-8(1); and

(B) have a maturity date not later than the end of the calendar year following the year of issuance.

SECTION 3. IC 6-1.1-1-8.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8.7. "Mobile home" has the meaning set forth in IC 6-1.1-7-1.**

SECTION 4. IC 6-1.1-3-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 15. (a) In connection with the activities required by section 14 of this chapter, or if a person owning, holding, possessing, or controlling any personal property fails to file a personal property return with the township assessor as required by this chapter, the township assessor may examine:

- (1) the personal property of the person;
- (2) the books and records of the person; and
- (3) under oath, the person or any other person whom the assessor believes has knowledge of the amount, identity, or value of the

personal property reported or not reported by the person on a return.

(b) After such an examination, the assessor shall assess the personal property to the person owning, holding, possessing, or controlling that property. **Notice of the assessment shall be given as provided in IC 6-1.1-22-8.**

(c) As an alternative to such an examination, the township assessor may estimate the value of the personal property of the taxpayer and shall assess the person owning, holding, possessing, or controlling the property in an amount based upon the estimate. Upon receiving a notification of estimated value from the township assessor, the taxpayer may elect to file a personal property return, subject to the penalties imposed by IC 6-1.1-37-7.

SECTION 5. IC 6-1.1-3-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 16. If, from the evidence before him, a township assessor determines that a person has temporarily converted any part of his personal property into property which is not taxable under this article to avoid the payment of taxes on the converted property, the township assessor shall assess the converted property to the taxpayer. **Notice of the assessment shall be given as required under IC 6-1.1-22-8.**

SECTION 6. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 22. (a) If any assessing official or any county property tax assessment board of appeals assesses or reassesses any real property under the provisions of this article, the official or county property tax assessment board of appeals shall give notice to the taxpayer and the county assessor ~~by mail~~ of the amount of the assessment or reassessment.

(b) During a period of general reassessment, each township assessor shall ~~mail~~ **give to the county assessor** the notice required by this section ~~within not later than~~ ninety (90) days after ~~he~~ **the township assessor**:

- (1) completes ~~his~~ **the** appraisal of a parcel; or
- (2) receives a report for a parcel from a professional appraiser or professional appraisal firm.

(c) The assessing official or county property tax assessment board of appeals shall give the notice required by this section to the taxpayer as part of the initial statement issued under IC 6-1.1-22-8 that is affected by the assessment or reassessment.

SECTION 7. IC 6-1.1-4-34, AS ADDED BY P.L.235-2003, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MAY 8, 2003 (RETROACTIVE)]: Sec. 34. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of reassessment under section 32(f) of this chapter

1 is subject to appeal by the taxpayer to the Indiana board. The
 2 procedures and time limitations that apply to an appeal to the Indiana
 3 board of a determination of the department of local government finance
 4 do not apply to an appeal under this subsection. The Indiana board may
 5 establish applicable procedures and time limitations under subsection (l).

6 (c) In order to appeal under subsection (b), the taxpayer must:

7 (1) request and participate as required in the informal hearing
 8 process under section 33 of this chapter not later than forty-five
 9 (45) days after the date of the notice of reassessment under
 10 section 32(f) of this chapter;

11 (2) except as provided in section 33(i) of this chapter, receive a
 12 notice of changed reassessment under section 33(g) of this
 13 chapter; and

14 (3) file a petition for review with the appropriate county assessor
 15 not later than thirty (30) days after the notice of the department of
 16 local government finance is given to the taxpayer under section
 17 ~~32(f)~~ **33(g)** of this chapter.

18 (d) The Indiana board may develop a form for petitions under
 19 subsection (c) that:

20 (1) outlines:

21 (A) the appeal process;

22 (B) the burden of proof; and

23 (C) evidence necessary to warrant a change to a reassessment;
 24 and

25 (2) describes:

26 (A) the increase in the property tax replacement credit; and

27 (B) other changes to the property tax system;

28 under P.L.192-2002(ss) that reduced the effect of general
 29 reassessment on property tax liability.

30 (e) The Indiana board may contract with, appoint, or otherwise
 31 designate the following to serve as special masters to conduct
 32 evidentiary hearings and prepare reports required under subsection (g):

33 (1) Independent, licensed appraisers.

34 (2) Attorneys.

35 (3) Certified level two Indiana assessor-appraisers (including
 36 administrative law judges employed by the Indiana board).

37 (4) Other qualified individuals.

38 (f) Each contract entered into under subsection (e) must specify the
 39 appointee's compensation and entitlement to reimbursement for
 40 expenses. The compensation and reimbursement for expenses are paid
 41 from the county property reassessment fund. Payments under this
 42 subsection from the county property reassessment fund may not
 43 exceed five hundred thousand dollars (\$500,000).

44 (g) With respect to each petition for review filed under subsection
 45 (c), the special masters shall:

46 (1) set a hearing date;

- 1 (2) give notice of the hearing at least thirty (30) days before the
- 2 hearing date, by mail, to:
- 3 (A) the taxpayer;
- 4 (B) the department of local government finance;
- 5 (C) the township assessor; and
- 6 (D) the county assessor;
- 7 (3) conduct a hearing and hear all evidence submitted under this
- 8 section; and
- 9 (4) make evidentiary findings and file a report with the Indiana
- 10 board.
- 11 (h) At the hearing under subsection (g):
- 12 (1) the taxpayer shall present:
- 13 (A) its evidence that the reassessment is incorrect;
- 14 (B) the method by which the taxpayer contends the
- 15 reassessment is correctly determined; and
- 16 (C) comparable sales, appraisals, or other pertinent information
- 17 concerning valuation as required by the Indiana board; and
- 18 (2) the department of local government finance shall present its
- 19 evidence that the reassessment is correct.
- 20 (i) The Indiana board may dismiss a petition for review filed under
- 21 subsection (c) if the evidence and other information required under
- 22 subsection (h)(1) is not provided at the hearing under subsection (g).
- 23 (j) The township assessor and the county assessor may attend and
- 24 participate in the hearing under subsection (g).
- 25 (k) The Indiana board may:
- 26 (1) consider the report of the special masters under subsection
- 27 (g)(4);
- 28 (2) make a final determination based on the findings of the special
- 29 masters without:
- 30 (A) conducting a hearing; or
- 31 (B) any further proceedings; and
- 32 (3) incorporate the findings of the special masters into the board's
- 33 findings in resolution of the appeal.
- 34 (l) The Indiana board may adopt emergency rules under
- 35 IC 4-22-2-37.1 to:
- 36 (1) establish procedures to expedite:
- 37 (A) the conduct of hearings under subsection (g); and
- 38 (B) the issuance of determinations of appeals under subsection
- 39 (b); and
- 40 (2) establish deadlines:
- 41 (A) for conducting hearings under subsection (g); and
- 42 (B) for issuing determinations of appeals under subsection (b).
- 43 (m) A determination by the Indiana board of an appeal under
- 44 subsection (b) is subject to appeal to the tax court under IC 6-1.1-15.
- 45 (n) This section expires December 31, 2005.
- 46 SECTION 8. IC 6-1.1-4-35 IS ADDED TO THE INDIANA CODE

1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
2 PASSAGE]: **Sec. 35. (a) This section applies to a county other than
3 a county subject to section 32 of this chapter.**

4 **(b) This section applies to a general reassessment of real
5 property conducted under section 4 of this chapter, an adjustment
6 under section 4.5 of this chapter, or a reassessment ordered under
7 section 6 or 9 of this chapter, all of which are referred to as
8 reassessments in this section and sections 36, 37, and 38 of this
9 chapter.**

10 **(c) As used in this section, "department" refers to the
11 department of local government finance.**

12 **(d) As used in this section, "reassessment official" means any
13 of the following:**

14 **(1) A county assessor.**

15 **(2) A township assessor.**

16 **(3) A township trustee-assessor.**

17 **(e) If:**

18 **(1) the department determines that a county's reassessment
19 officials are unable to complete the reassessment in a timely
20 manner; or**

21 **(2) the department determines that a county's reassessment
22 officials are likely to complete the reassessment in an
23 inaccurate manner;**

24 **the department may order a state conducted reassessment in the
25 county. The department may consider a reassessment in a county
26 untimely if the county does not submit the county's equalization
27 study to the department in the manner prescribed under 50
28 IAC 14 before October 20, 2003. The department may consider the
29 assessment or reassessment work of a county's reassessment
30 officials inaccurate if the department determines from a sample
31 of the assessments completed in the county that there is a
32 variance exceeding ten percent (10%) between the total assessed
33 valuation of the real property within the sample and the total
34 assessed valuation that would result if the real property within the
35 sample were valued in the manner provided by law. The
36 department may consider an adjustment to be inaccurate if the
37 county's reassessment officials do not perform the adjustment as
38 prescribed by the department.**

39 **(f) If the department orders a state conducted reassessment in
40 a county, the department shall assume the duties of the county's
41 reassessment officials. Notwithstanding sections 4.5, 15, and 17 of
42 this chapter, a reassessment official in a county subject to an
43 order issued under this section may not assess property or have**

property assessed for the general reassessment. Until the state conducted reassessment is completed under this section, the reassessment duties of a reassessment official in the county are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

(g) Before assuming the duties of a county's reassessment officials, the department shall transmit a copy of the department's order requiring a state conducted reassessment to the county's reassessment officials, the county fiscal body, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation in the county. The department is not required to conduct a public hearing before taking action under this section.

(h) Township and county officials in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

related to the reassessment of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to a general reassessment and is subject to IC 6-1.1-37-2.

(i) The department may enter into a contract with a professional appraising firm to conduct a reassessment under this section. If a county or a township located in the county entered into a contract with a professional appraising firm to conduct the county's reassessment before the department orders a state conducted reassessment in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

(j) After receiving the report of assessed values from the

1 appraisal firm acting under a contract described in subsection (i),
 2 the department shall give notice to the taxpayer and the county
 3 assessor, by mail, of the amount of the reassessment. The notice
 4 of reassessment:

- 5 (1) is subject to appeal by the taxpayer under section 37 of
 6 this chapter; and
- 7 (2) must include a statement of the taxpayer's rights under
 8 section 37 of this chapter.

9 (k) The department shall forward a bill for services provided
 10 under a contract described in subsection (i) to the auditor of the
 11 county in which the state conducted reassessment occurs. The
 12 county shall pay the bill under the procedures prescribed by
 13 subsection (l).

14 (l) A county subject to an order issued under this section shall
 15 pay the cost of a contract described in subsection (i), without
 16 appropriation, from the county's property reassessment fund. A
 17 contractor may periodically submit bills for partial payment of
 18 work performed under the contract. Notwithstanding any other
 19 law, a contractor is entitled to payment under this subsection for
 20 work performed under a contract if the contractor:

- 21 (1) submits to the department a fully itemized, certified bill
 22 in the form required by IC 5-11-10-1 for the costs of the
 23 work performed under the contract;
- 24 (2) obtains from the department:
 - 25 (A) approval of the form and amount of the bill; and
 - 26 (B) a certification that the billed goods and services have
 27 been received and comply with the contract; and
- 28 (3) files with the county auditor:
 - 29 (A) a duplicate copy of the bill submitted to the
 30 department;
 - 31 (B) proof of the department's approval of the form and
 32 amount of the bill; and
 - 33 (C) the department's certification that the billed goods
 34 and services have been received and comply with the
 35 contract.

36 The department's approval and certification of a bill under
 37 subdivision (2) shall be treated as conclusively resolving the
 38 merits of a contractor's claim. Upon receipt of the documentation
 39 described in subdivision (3), the county auditor shall immediately
 40 certify that the bill is true and correct without further audit,
 41 publish the claim as required by IC 36-2-6-3, and submit the claim
 42 to the county executive. The county executive shall allow the
 43 claim, in full, as approved by the department, without further

1 examination of the merits of the claim in a regular or special
2 session that is held not less than three (3) days and not more than
3 seven (7) days after the completion of the publication
4 requirements under IC 36-2-6-3. Upon allowance of the claim by
5 the county executive, the county auditor shall immediately issue
6 a warrant or check for the full amount of the claim approved by
7 the department. Compliance with this subsection constitutes
8 compliance with section 28.5 of this chapter, IC 5-11-6-1,
9 IC 5-11-10, and IC 36-2-6. The determination and payment of a
10 claim in compliance with this subsection is not subject to
11 remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not
12 apply to a claim submitted under this subsection. IC 5-11-10-1.6(d)
13 applies to a fiscal officer who pays a claim in compliance with this
14 subsection.

15 (m) Notwithstanding IC 4-13-2, a period of seven (7) days is
16 permitted for each of the following to review and act under
17 IC 4-13-2 on a contract of the department entered into under this
18 section:

- 19 (1) The commissioner of the Indiana department of
20 administration.
21 (2) The director of the budget agency.
22 (3) The attorney general.

23 (n) If the money in a county's property reassessment fund is
24 insufficient to pay for a reassessment conducted under this
25 section, the department may increase the tax rate and tax levy of
26 the county's property reassessment fund to pay the cost and
27 expenses related to the reassessment.

28 (o) The department or the contractor of the department shall
29 use the land values determined under section 13.6 of this chapter
30 for a county subject to an order issued under this section to the
31 extent that the department or the contractor finds that the land
32 values reflect the true tax value of land, as determined under this
33 article and the rules of the department. If the department or the
34 contractor finds that the land values determined for the county
35 under section 13.6 of this chapter do not reflect the true tax value
36 of land, the department or the contractor shall determine land
37 values for the county that reflect the true tax value of land, as
38 determined under this article and the rules of the department.
39 Land values determined under this subsection shall be used to the
40 same extent as if the land values had been determined under
41 section 13.6 of this chapter. The department or the contractor of
42 the department shall notify the county's reassessment officials of
43 the land values determined under this subsection.

1 (p) A contractor of the department may notify the department
2 if:

3 (1) a county auditor fails to:

4 (A) certify the contractor's bill;

5 (B) publish the contractor's claim;

6 (C) submit the contractor's claim to the county executive;

7 or

8 (D) issue a warrant or check for payment of the
9 contractor's bill;

10 as required by subsection (l) at the county auditor's first
11 legal opportunity to do so;

12 (2) a county executive fails to allow the contractor's claim as
13 legally required by subsection (l) at the county executive's
14 first legal opportunity to do so; or

15 (3) a person or an entity authorized to act on behalf of the
16 county takes or fails to take an action, including failure to
17 request an appropriation, and that action or failure to act
18 delays or halts progress under this section for payment of the
19 contractor's bill.

20 (q) The department, upon receiving notice under subsection (p)
21 from a contractor of the department, shall:

22 (1) verify the accuracy of the contractor's assertion in the
23 notice that:

24 (A) a failure occurred as described in subsection (p)(1) or
25 (p)(2); or

26 (B) a person or an entity acted or failed to act as described
27 in subsection (p)(3); and

28 (2) provide to the treasurer of state the department's
29 approval under subsection (l)(2)(A) of the contractor's bill
30 with respect to which the contractor gave notice under
31 subsection (p).

32 (r) Upon receipt of the department's approval of a contractor's
33 bill under subsection (q), the treasurer of state shall pay the
34 contractor the amount of the bill approved by the department
35 from money in the possession of the state that would otherwise be
36 available for distribution to the county, including distributions
37 from the property tax replacement fund or distribution of
38 admissions taxes or wagering taxes.

39 (s) The treasurer of state shall withhold from the money that
40 would be distributed under IC 4-33-12-6, IC 4-33-13-5,
41 IC 6-1.1-21-4(b) or any other law to a county described in a notice
42 provided under subsection (p) the amount of a payment made by
43 the treasurer of state to the contractor of the department under

1 subsection (r). Money shall be withheld first from the money
 2 payable to the county under IC 6-1.1-21-4(b) and then from all
 3 other sources payable to the county.

4 (t) Compliance with subsections (p) through (s) constitutes
 5 compliance with IC 5-11-10.

6 (u) IC 5-11-10-1.6(d) applies to the treasurer of state with
 7 respect to the payment made in compliance with subsections (p)
 8 through (s). This subsection and subsections (p) through (s) must
 9 be interpreted liberally so that the state shall, to the extent legally
 10 valid, ensure that the contractual obligations of a county subject
 11 to this section are paid. Nothing in this section shall be construed
 12 to create a debt of the state.

13 (v) The provisions of this section are severable as provided in
 14 IC 1-1-1-8(b).

15 SECTION 9. IC 6-1.1-4-36 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
 17 PASSAGE]: Sec. 36. (a) Subject to the other requirements of this
 18 section, the department of local government finance may:

19 (1) negotiate an addendum to a contract referred to in
 20 section 35(i) of this chapter that is treated as a contract of
 21 the department; or

22 (2) include provisions in a contract entered into by the
 23 department under section 35(i) of this chapter;

24 to require the contractor of the department to represent the
 25 department in appeals initiated under section 37 of this chapter
 26 and to afford to each taxpayer in the county an opportunity to
 27 attend an informal hearing.

28 (b) The purpose of the informal hearing referred to in
 29 subsection (a) is to:

30 (1) discuss the specifics of the taxpayer's reassessment;

31 (2) review the taxpayer's property record card;

32 (3) explain to the taxpayer how the reassessment was
 33 determined;

34 (4) provide to the taxpayer information about the statutes,
 35 rules, and guidelines that govern the determination of the
 36 reassessment;

37 (5) note and consider objections of the taxpayer;

38 (6) consider all errors alleged by the taxpayer; and

39 (7) otherwise educate the taxpayer about:

40 (A) the taxpayer's reassessment;

41 (B) the reassessment process; and

42 (C) the reassessment appeal process under section 37 of
 43 this chapter.

1 (c) Following an informal hearing referred to in subsection (b),
2 the contractor shall:

3 (1) make a recommendation to the department of local
4 government finance as to whether a change in the
5 reassessment is warranted; and

6 (2) if recommending a change under subdivision (1), provide
7 to the department a statement of:

8 (A) how the changed reassessment was determined; and

9 (B) the amount of the changed reassessment.

10 (d) To preserve the right to appeal under section 37 of this
11 chapter, a taxpayer must initiate the informal hearing process by
12 notifying the department of local government finance or its
13 designee of the taxpayer's intent to participate in an informal
14 hearing referred to in subsection (b) not later than forty-five (45)
15 days after the department of local government finance gives
16 notice under section 35(j) of this chapter to taxpayers of the
17 amount of the reassessment.

18 (e) The informal hearings referred to in subsection (b) must be
19 conducted:

20 (1) in the county in which the property is located; and

21 (2) in a manner determined by the department of local
22 government finance.

23 (f) The department of local government finance shall:

24 (1) consider the recommendation of the contractor under
25 subsection (c); and

26 (2) if the department accepts a recommendation that a
27 change in the reassessment is warranted, accept or modify
28 the recommended amount of the changed reassessment.

29 (g) The department of local government finance shall send a
30 notice of the result of each informal hearing to:

31 (1) the taxpayer;

32 (2) the county auditor;

33 (3) the county assessor; and

34 (4) the township assessor of the township in which the
35 property is located.

36 (h) A notice under subsection (g) must:

37 (1) state whether the reassessment was changed as a result
38 of the informal hearing; and

39 (2) if the reassessment was changed as a result of the
40 informal hearing:

41 (A) indicate the amount of the changed reassessment; and

42 (B) provide information on the taxpayer's right to appeal
43 under section 37 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the reassessment under section 32(f) of this chapter:

(1) the department may not change the amount of the reassessment under the informal hearing process described in this section; and

(2) the taxpayer may appeal the reassessment under section 37 of this chapter.

(j) The department of local government finance may adopt emergency rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under section 35(k) of this chapter.

SECTION 10. IC 6-1.1-4-37 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of reassessment under section 35(j) of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) participate in the informal hearing process under section 36 of this chapter;

(2) except as provided in section 36(i) of this chapter, receive a notice under section 36(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 36(g) of this chapter; or

(B) the date after which the department may not change the amount of the reassessment under the informal hearing process described in section 36 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

1 (3) evidence necessary to warrant a change to a
2 reassessment.

3 (e) The Indiana board may contract with, appoint, or otherwise
4 designate the following to serve as special masters to conduct
5 evidentiary hearings and prepare reports required under
6 subsection (g):

7 (1) Independent, licensed appraisers.

8 (2) Attorneys.

9 (3) Certified level two Indiana assessor-appraisers (including
10 administrative law judges employed by the Indiana board).

11 (4) Other qualified individuals.

12 (f) Each contract entered into under subsection (e) must specify
13 the appointee's compensation and entitlement to reimbursement
14 for expenses. The compensation and reimbursement for expenses
15 are paid from the county property reassessment fund. Payments
16 under this subsection from the county property reassessment fund
17 may not exceed five hundred thousand dollars (\$500,000).

18 (g) With respect to each petition for review filed under
19 subsection (c), the special masters shall:

20 (1) set a hearing date;

21 (2) give notice of the hearing at least thirty (30) days before
22 the hearing date, by mail, to:

23 (A) the taxpayer;

24 (B) the department of local government finance;

25 (C) the township assessor; and

26 (D) the county assessor;

27 (3) conduct a hearing and hear all evidence submitted under
28 this section; and

29 (4) make evidentiary findings and file a report with the
30 Indiana board.

31 (h) At the hearing under subsection (g):

32 (1) the taxpayer shall present:

33 (A) the taxpayer's evidence that the reassessment is
34 incorrect;

35 (B) the method by which the taxpayer contends the
36 reassessment should be correctly determined; and

37 (C) comparable sales, appraisals, or other pertinent
38 information concerning valuation as required by the
39 Indiana board; and

40 (2) the department of local government finance shall present
41 its evidence that the reassessment is correct.

42 (i) The Indiana board may dismiss a petition for review filed
43 under subsection (c) if the evidence and other information

1 required under subsection (h)(1) is not provided at the hearing
2 under subsection (g).

3 (j) The township assessor and the county assessor may attend
4 and participate in the hearing under subsection (g).

5 (k) The Indiana board may:

6 (1) consider the report of the special masters under
7 subsection (g)(4);

8 (2) make a final determination based on the findings of the
9 special masters without:

10 (A) conducting a hearing; or

11 (B) any further proceedings; and

12 (3) incorporate the findings of the special masters into the
13 board's findings in resolution of the appeal.

14 (l) The Indiana board may adopt emergency rules under
15 IC 4-22-2-37.1 to:

16 (1) establish procedures to expedite:

17 (A) the conduct of hearings under subsection (g); and

18 (B) the issuance of determinations of appeals under
19 subsection (k); and

20 (2) establish deadlines:

21 (A) for conducting hearings under subsection (g); and

22 (B) for issuing determinations of appeals under subsection
23 (k).

24 (m) A determination by the Indiana board of an appeal under
25 subsection (k) is subject to appeal to the tax court under
26 IC 6-1.1-15.

27 SECTION 11. IC 6-1.1-4-38 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
29 PASSAGE]: Sec. 38. (a) As used in this section, "contractor"
30 means a reassessment contractor of the department of local
31 government finance that is conducting a county's general
32 reassessment under section 35 of this chapter.

33 (b) As used in this section, "qualifying county" means a county
34 in which the department of local government finance, under
35 section 35 of this chapter, conducts the general reassessment,
36 adjustment, or reassessment.

37 (c) As used in this section, "qualifying official" refers to any of
38 the following:

39 (1) A county assessor of a qualifying county.

40 (2) A township assessor of a qualifying county.

41 (3) The county auditor of a qualifying county.

42 (4) The treasurer of a qualifying county.

43 (5) The county surveyor of a qualifying county.

1 (6) A member of the land valuation commission in a
2 qualifying county.

3 (7) Any other township or county official in a qualifying
4 county who has possession or control of information
5 necessary or useful for a general reassessment, general
6 reassessment review, or special reassessment of property to
7 which section 35 of this chapter applies, including
8 information in the possession or control of an employee or a
9 contractor of the official.

10 (8) Any county official in a qualifying county who has control,
11 review, or other responsibilities related to paying claims of a
12 contractor submitted for payment under section 35 of this
13 chapter.

14 (d) Upon petition from the department of local government
15 finance or a contractor, the tax court may order a qualifying
16 official to produce information requested in writing from the
17 qualifying official by the department of local government finance
18 or a contractor.

19 (e) If the tax court orders a qualifying official to provide
20 requested information as described in subsection (d), the tax court
21 shall order production of the information not later than fourteen
22 (14) days after the date of the tax court's order.

23 (f) The tax court may find that any willful violation of this
24 section by a qualifying official constitutes a direct contempt of the
25 tax court.

26 SECTION 12. IC 6-1.1-4-39 IS ADDED TO THE INDIANA CODE
27 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
28 PASSAGE]: Sec. 39. (a) For assessment dates after February 28,
29 2003, except as provided in subsections (b) and (c), the true tax
30 value of real property regularly rented or leased to furnish
31 residential accommodations for periods of thirty (30) days or more
32 is the lowest valuation determined after computing a valuation
33 under each of the following mass appraisal approaches:

34 (1) A cost approach that includes an estimated reproduction
35 or replacement cost of buildings and land improvements as
36 of the date of valuation together with estimates of the losses
37 in value that have taken place due to wear and tear, design
38 and plan, or neighborhood influences.

39 (2) A sales comparison approach that compares data for
40 generally comparable property.

41 (3) An income capitalization approach that uses an applicable
42 capitalization method and appropriate capitalization rates in
43 computations that lead to an indication of value

1 commensurate with the risks for the subject property use.

2 (b) The value of federal income tax credits may not be
3 considered in determining the true tax value of the property.

4 (c) To carry out this section, the department of local
5 government finance may adopt rules to establish land values that
6 differ from the land values established under section 13.6 of this
7 chapter for land used in connection with residential
8 accommodations regularly rented or leased for periods of thirty
9 (30) days or more. The department of local government shall
10 notify the assessing officials in the county of the land values
11 established under this subsection.

12 SECTION 13. IC 6-1.1-5.5-3, AS AMENDED BY P.L.245-2003,
13 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JANUARY 1, 2005]: Sec. 3. (a) Before filing a conveyance document
15 with the county auditor under IC 6-1.1-5-4, all the parties to the
16 conveyance must complete and sign a sales disclosure form as
17 prescribed by the department of local government finance under section
18 5 of this chapter. All the parties may sign one (1) form, or if all the
19 parties do not agree on the information to be included on the completed
20 form, each party may sign and file a separate form.

21 (b) Except as provided in subsection (c), the auditor shall forward
22 each sales disclosure form to the county assessor. The county assessor
23 shall retain the forms for five (5) years. The county assessor shall
24 forward the sales disclosure form data to the department of local
25 government finance and the legislative services agency:

26 (1) before January 1, 2005, in an electronic format, if possible;
27 and

28 (2) after December 31, 2004, in an electronic format under
29 IC 5-14-6 specified jointly by the department of local
30 government finance and the legislative services agency.

31 The county assessor shall forward a copy of the sales disclosure forms
32 to the township assessors in the county. The forms may be used by the
33 county assessing officials, the department of local government finance,
34 and the legislative services agency for the purposes established in
35 IC 6-1.1-4-13.6, sales ratio studies, equalization, **adoption of rules**
36 **under IC 6-1.1-31-3 and IC 6-1.1-31-6**, and any other authorized
37 purpose.

38 (c) In a county containing a consolidated city, the auditor shall
39 forward the sales disclosure form to the appropriate township assessor.
40 The township assessor shall forward the sales disclosure form to the
41 department of local government finance and the legislative services
42 agency:

43 (1) before January 1, 2005, in an electronic format, if possible;
44 and

1 **(2) after December 31, 2004, in an electronic format under**
 2 **IC 5-14-6 specified jointly by the department of local**
 3 **government finance and the legislative services agency.**

4 The township assessor shall forward a copy of the sales disclosure
 5 forms to the township assessors in the county. The forms may be used
 6 by the county assessing officials, the department of local government
 7 finance, and the legislative services agency for the purposes established
 8 in IC 6-1.1-4-13.6, sales ratio studies, equalization, **adoption of rules**
 9 **under IC 6-1.1-31-3 and IC 6-1.1-31-6**, and any other authorized
 10 purpose.

11 SECTION 14. IC 6-1.1-7-2, AS AMENDED BY P.L.90-2002,
 12 SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 2. The department of local government finance
 14 may adopt rules in order to provide a method for assessing mobile
 15 homes. These rules must be consistent with this article, **including the**
 16 **factors required under IC 6-1.1-31-7.**

17 SECTION 15. IC 6-1.1-7-15 IS ADDED TO THE INDIANA CODE
 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON
 19 PASSAGE]: **Sec. 15. For assessment dates after January 14, 2004,**
 20 **the true tax value of mobile homes regularly used to rent or lease**
 21 **to furnish residential accommodations for periods of thirty (30)**
 22 **days or more is the lowest valuation determined after computing**
 23 **a valuation under each of the following mass appraisal**
 24 **approaches:**

25 **(1) A cost approach that includes an estimated reproduction**
 26 **or replacement cost of buildings and land improvements as**
 27 **of the date of valuation together with estimates of the losses**
 28 **in value that have taken place due to wear and tear, design**
 29 **and plan, or neighborhood influences.**

30 **(2) A sales comparison approach that compares data for**
 31 **generally comparable property.**

32 **(3) An income capitalization approach that uses an applicable**
 33 **capitalization method and appropriate capitalization rates in**
 34 **computations that lead to an indication of value**
 35 **commensurate with the risks for the subject property use.**

36 **The value of federal income tax credits may not be considered in**
 37 **determining the true tax value of the property.**

38 SECTION 16. IC 6-1.1-9-1 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. If a township
 40 assessor, county assessor, or county property tax assessment board of
 41 appeals believes that any taxable tangible property has been omitted
 42 from or undervalued on the assessment rolls or the tax duplicate for any
 43 year or years, the official or board shall give written notice under
 44 IC 6-1.1-3-20 or IC 6-1.1-4-22 of the assessment or increase in

1 assessment by giving the notice to the county treasurer for
 2 inclusion in the initial statement under IC 6-1.1-22-8 that is
 3 affected by the assessment or increase. The notice shall contain a
 4 general description of the property and a statement describing the
 5 taxpayer's right to file a petition for request a preliminary conference
 6 with the township assessor to review the assessment and the
 7 taxpayer's right to a review with the county property tax assessment
 8 board of appeals under IC 6-1.1-15-1.

9 SECTION 17. IC 6-1.1-9-3, AS AMENDED BY P.L.90-2002,
 10 SECTION 97, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JANUARY 1, 2004]: Sec. 3. (a) If a taxpayer files a personal property
 12 return for a particular year, personal property which is omitted from or
 13 undervalued on the return may be assessed, or its assessed value may
 14 be increased ~~only if the notice required under section 4 of this chapter~~
 15 ~~is given within not later than~~ three (3) years after the date the return
 16 is filed. However, if the taxpayer's personal property return for a
 17 particular year substantially complies with the provisions of this article
 18 and the regulations of the department of local government finance, an
 19 assessing official or a county property tax assessment board of appeals
 20 may change the assessed value claimed by the taxpayer on the return
 21 only within the ~~time~~ period prescribed in IC 6-1.1-16-1.

22 (b) If a taxpayer fails to file a personal property return for a
 23 particular year, the taxpayer's personal property may be assessed for
 24 that year ~~only if the notice required by section 4 of this chapter is given~~
 25 ~~within not later than~~ ten (10) years after the date on which the return
 26 for that year should have been filed.

27 (c) If a taxpayer files a fraudulent personal property return, or fails
 28 to file a return with the intent to evade the payment of property taxes,
 29 the assessment limitations prescribed in subsections (a) and (b) do not
 30 apply.

31 SECTION 18. IC 6-1.1-9-4 IS AMENDED TO READ AS
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 4. (a) Real
 33 property may be assessed, or its assessed value increased, for a prior
 34 year under this chapter ~~only if the notice required by section 4 of this~~
 35 ~~chapter is given within not later than~~ three (3) years after the
 36 assessment date for that prior year.

37 (b) With respect to real property which is owned by a bona fide
 38 purchaser without knowledge, no lien attaches for any property taxes
 39 which result from an assessment, or an increase in assessed value,
 40 made under this chapter for any period before his purchase of the
 41 property.

42 SECTION 19. IC 6-1.1-12-9, AS AMENDED BY P.L.272-2003,
 43 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 44 UPON PASSAGE]: Sec. 9. (a) An individual may obtain a deduction
 45 from the assessed value of the individual's real property, or mobile

home or manufactured home which is not assessed as real property, if:

(1) the individual is at least sixty-five (65) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;

(2) the combined adjusted gross income (as defined in Section 62 of the Internal Revenue Code) of:

(A) the individual and the individual's spouse; or

(B) the individual and all other individuals with whom:

(i) the individual shares ownership; or

(ii) the individual is purchasing the property under a contract;

as joint tenants or tenants in common;

for the calendar year preceding the year in which the deduction is claimed did not exceed ~~twenty-five~~ **thirty-five** thousand dollars ~~(\$25,000); (\$35,000);~~

(3) the individual has owned the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction; or the individual has been buying the real property, mobile home, or manufactured home under a contract that provides that the individual is to pay the property taxes on the real property, mobile home, or manufactured home for at least one (1) year before claiming the deduction, and the contract or a memorandum of the contract is recorded in the county recorder's office;

(4) the individual and any individuals covered by subdivision (2)(B) reside on the real property, mobile home, or manufactured home;

(5) the assessed value of the real property, mobile home, or manufactured home does not exceed one hundred forty-four thousand dollars (\$144,000); and

(6) the individual receives no other property tax deduction for the year in which the deduction is claimed, except the deductions provided by sections 1, 37, ~~and~~ 38, **43, and 44** of this chapter.

(b) Except as provided in subsection (h), in the case of real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the real property; or

(2) ~~six~~ **twelve** thousand **four hundred eighty** dollars ~~(\$6,000); (\$12,480).~~

(c) Except as provided in subsection (h) and section 40.5 of this chapter, in the case of a mobile home that is not assessed as real property or a manufactured home which is not assessed as real property, an individual's deduction under this section equals the lesser of:

(1) one-half (1/2) of the assessed value of the mobile home or manufactured home; or

(2) ~~six~~ **twelve** thousand **four hundred eighty** dollars ~~(\$6,000)~~
(\$12,480).

(d) An individual may not be denied the deduction provided under this section because the individual is absent from the real property, mobile home, or manufactured home while in a nursing home or hospital.

(e) For purposes of this section, if real property, a mobile home, or a manufactured home is owned by:

- (1) tenants by the entirety;
- (2) joint tenants; or
- (3) tenants in common;

only one (1) deduction may be allowed. However, the age requirement is satisfied if any one (1) of the tenants is at least sixty-five (65) years of age.

(f) A surviving spouse is entitled to the deduction provided by this section if:

- (1) the surviving spouse is at least sixty (60) years of age on or before December 31 of the calendar year preceding the year in which the deduction is claimed;
- (2) the surviving spouse's deceased husband or wife was at least sixty-five (65) years of age at the time of a death;
- (3) the surviving spouse has not remarried; and
- (4) the surviving spouse satisfies the requirements prescribed in subsection (a)(2) through (a)(6).

(g) An individual who has sold real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property may not claim the deduction provided under this section against that real property.

(h) In the case of tenants covered by subsection (a)(2)(B), if all of the tenants are not at least sixty-five (65) years of age, the deduction allowed under this section shall be reduced by an amount equal to the deduction multiplied by a fraction. The numerator of the fraction is the number of tenants who are not at least sixty-five (65) years of age, and the denominator is the total number of tenants.

SECTION 20. IC 6-1.1-12-11, AS AMENDED BY P.L.291-2001, SECTION 133, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) Except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand **four hundred eighty** dollars ~~(\$6,000)~~ **(\$12,480)** deducted from the assessed value of real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual owns, or that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

- (1) the individual is blind or the individual is a disabled person;
- (2) the real property, mobile home, or manufactured home is principally used and occupied by the individual as the individual's residence; and
- (3) the individual's taxable gross income for the calendar year preceding the year in which the deduction is claimed did not exceed seventeen thousand dollars (\$17,000).

(b) For purposes of this section, taxable gross income does not include income which is not taxed under the federal income tax laws.

(c) For purposes of this section, "blind" has the same meaning as the definition contained in IC 12-7-2-21(1).

(d) For purposes of this section, "disabled person" means a person unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which:

- (1) can be expected to result in death; or
- (2) has lasted or can be expected to last for a continuous period of not less than twelve (12) months.

(e) Disabled persons filing claims under this section shall submit proof of disability in such form and manner as the department shall by rule prescribe. Proof that a claimant is eligible to receive disability benefits under the federal Social Security Act (42 U.S.C. 301 et seq.) shall constitute proof of disability for purposes of this section.

(f) A disabled person not covered under the federal Social Security Act shall be examined by a physician and the individual's status as a disabled person determined by using the same standards as used by the Social Security Administration. The costs of this examination shall be borne by the claimant.

(g) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 21. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in section 40.5 of this chapter, an individual may have ~~twelve~~ **twenty-four** thousand ~~nine hundred sixty~~ **thousand** dollars ~~(\$12,000)~~ **(\$24,960)** deducted from the assessed value of the taxable tangible property that the individual owns, or real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office and if:

- (1) the individual served in the military or naval forces of the United States during any of its wars;
- (2) the individual received an honorable discharge;
- (3) the individual is disabled with a service connected disability of ten percent (10%) or more; and
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

SECTION 22. IC 6-1.1-12-14, AS AMENDED BY P.L.272-2003, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of ~~six~~ **twelve** thousand **four hundred eighty** dollars ~~(\$6,000)~~ **(\$12,480)** deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

- (1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) is totally disabled; or
 - (B) is at least sixty-two (62) years old and has a disability of at

1 least ten percent (10%); and
 2 (4) the individual's disability is evidenced by:
 3 (A) a pension certificate or an award of compensation issued
 4 by the United States Department of Veterans Affairs; or
 5 (B) a certificate of eligibility issued to the individual by the
 6 Indiana department of veterans' affairs after the Indiana
 7 department of veterans' affairs has determined that the
 8 individual's disability qualifies the individual to receive a
 9 deduction under this section.

10 (b) Except as provided in subsection (c), the surviving spouse of an
 11 individual may receive the deduction provided by this section if the
 12 individual would qualify for the deduction if the individual were alive.

13 (c) No one is entitled to the deduction provided by this section if the
 14 assessed value of the individual's tangible property, as shown by the tax
 15 duplicate, exceeds one hundred thirteen thousand dollars (\$113,000).

16 (d) An individual who has sold real property, a mobile home not
 17 assessed as real property, or a manufactured home not assessed as real
 18 property to another person under a contract that provides that the
 19 contract buyer is to pay the property taxes on the real property, mobile
 20 home, or manufactured home may not claim the deduction provided
 21 under this section against that real property, mobile home, or
 22 manufactured home.

23 SECTION 23. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001,
 24 SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 25 UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of
 26 this chapter, a surviving spouse may have the sum of ~~nine~~ **eighteen**
 27 thousand ~~seven hundred twenty~~ **thousand** dollars ~~(\$9,000)~~ **(\$18,720)** deducted
 28 from the assessed value of his or her tangible property, or real property,
 29 mobile home not assessed as real property, or manufactured home not
 30 assessed as real property that the surviving spouse is buying under a
 31 contract that provides that he is to pay property taxes on the real
 32 property, mobile home, or manufactured home, if the contract or a
 33 memorandum of the contract is recorded in the county recorder's
 34 office, and if:

35 (1) the deceased spouse served in the military or naval forces of
 36 the United States before November 12, 1918; and

37 (2) the deceased spouse received an honorable discharge.

38 (b) A surviving spouse who receives the deduction provided by this
 39 section may not receive the deduction provided by section 13 of this
 40 chapter. However, he or she may receive any other deduction which he
 41 or she is entitled to by law.

42 (c) An individual who has sold real property, a mobile home not
 43 assessed as real property, or a manufactured home not assessed as real
 44 property to another person under a contract that provides that the
 45 contract buyer is to pay the property taxes on the real property, mobile
 46 home, or manufactured home may not claim the deduction provided

1 under this section against that real property, mobile home, or
2 manufactured home.

3 SECTION 24. IC 6-1.1-12-17.4, AS AMENDED BY P.L.272-2003,
4 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 17.4. (a) Except as provided in section 40.5 of
6 this chapter, a World War I veteran who is a resident of Indiana is
7 entitled to have the sum of ~~nine~~ **eighteen** thousand **seven hundred**
8 **twenty** dollars ~~(\$9,000)~~ **(\$18,720)** deducted from the assessed
9 valuation of the real property (including a mobile home that is assessed
10 as real property), mobile home that is not assessed as real property, or
11 manufactured home that is not assessed as real property the veteran
12 owns or is buying under a contract that requires the veteran to pay
13 property taxes on the real property, if the contract or a memorandum
14 of the contract is recorded in the county recorder's office, if:

15 (1) the real property, mobile home, or manufactured home is the
16 veteran's principal residence;

17 (2) the assessed valuation of the real property, mobile home, or
18 manufactured home does not exceed one hundred sixty-three
19 thousand dollars (\$163,000); and

20 (3) the veteran owns the real property, mobile home, or
21 manufactured home for at least one (1) year before claiming the
22 deduction.

23 (b) An individual may not be denied the deduction provided by this
24 section because the individual is absent from the individual's principal
25 residence while in a nursing home or hospital.

26 (c) For purposes of this section, if real property, a mobile home, or
27 a manufactured home is owned by a husband and wife as tenants by the
28 entirety, only one (1) deduction may be allowed under this section.
29 However, the deduction provided in this section applies if either spouse
30 satisfies the requirements prescribed in subsection (a).

31 (d) An individual who has sold real property, a mobile home not
32 assessed as real property, or a manufactured home not assessed as real
33 property to another person under a contract that provides that the
34 contract buyer is to pay the property taxes on the real property, mobile
35 home, or manufactured home may not claim the deduction provided
36 under this section with respect to that real property, mobile home, or
37 manufactured home.

38 SECTION 25. IC 6-1.1-12-18, AS AMENDED BY P.L.90-2002,
39 SECTION 110, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 18. (a) If the assessed value of residential real
41 property described in subsection (d) is increased because it has been
42 rehabilitated, the owner may have deducted from the assessed value of
43 the property an amount not to exceed the lesser of:

44 (1) the total increase in assessed value resulting from the
45 rehabilitation; or

(2) ~~nine~~ **eighteen** thousand **seven hundred twenty** dollars
~~(\$9,000)~~ **(\$18,720)** per rehabilitated dwelling unit.

The owner is entitled to this deduction annually for a five (5) year period.

(b) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure which are intended to increase the livability, utility, safety, or value of the property under rules adopted by the department of local government finance.

(c) For the purposes of this section, the term "owner" or "property owner" includes any person who has the legal obligation, or has otherwise assumed the obligation, to pay the real property taxes on the rehabilitated property.

(d) The deduction provided by this section applies only for the rehabilitation of residential real property which is located within this state and which is described in one (1) of the following classifications:

(1) a single family dwelling if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~eighteen~~ **thirty-seven** thousand **four hundred forty** dollars ~~(\$18,000); (\$37,440);~~

(2) a two (2) family dwelling if before rehabilitation the assessed value (excluding exemptions or deductions) of the improvements does not exceed ~~twenty-four~~ **forty-nine** thousand **nine hundred twenty** dollars ~~(\$24,000); (\$49,920);~~ and

(3) a dwelling with more than two (2) family units if before rehabilitation the assessed value (excluding any exemptions or deductions) of the improvements does not exceed ~~nine~~ **eighteen** thousand **seven hundred twenty** dollars ~~(\$9,000)~~ **(\$18,720)** per dwelling unit.

SECTION 26. IC 6-1.1-12-20, AS AMENDED BY P.L.90-2002, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 20. (a) A property owner who desires to obtain the deduction provided by section 18 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the rehabilitated property is located. The application may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. ~~Except as provided in subsection (b);~~ The application must be filed before May 10 of the year in which the addition to assessed value is made.

~~(b) If notice of the addition to assessed value for any year is not given to the property owner before April 10 of that year, the application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.~~

~~(c)~~ (b) The application required by this section shall contain the following information:

- (1) a description of the property for which a deduction is claimed in sufficient detail to afford identification;
- (2) statements of the ownership of the property;
- (3) the assessed value of the improvements on the property before rehabilitation;
- (4) the number of dwelling units on the property;
- (5) the number of dwelling units rehabilitated;
- (6) the ~~increase in~~ assessed value ~~resulting from of the improvements after~~ the rehabilitation, **or an estimate of the assessed value if the assessed value is not known at the time of filing of the deduction application;** and
- (7) the amount of deduction claimed, **or an estimate of the deduction if the assessed value of the improvements is not known at the time of filing of the deduction application.**

~~(d)~~ (c) A deduction application filed under this section is applicable for the year in which the increase in assessed value occurs and for the immediately following four (4) years without any additional application being filed.

~~(e)~~ (d) On verification of an application by the assessor of the township in which the property is located, the county auditor shall make the deduction.

SECTION 27. IC 6-1.1-12-22, AS AMENDED BY P.L.90-2002, SECTION 112, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 22. (a) If the assessed value of property is increased because it has been rehabilitated and the owner has paid at least ten thousand dollars (\$10,000) for the rehabilitation, the owner is entitled to have deducted from the assessed value of the property an amount equal to fifty percent (50%) of the increase in assessed value resulting from the rehabilitation. The owner is entitled to this deduction annually for a five (5) year period. However, the maximum deduction which a property owner may receive under this section for a particular year is:

- (1) ~~sixty one hundred twenty-four~~ thousand **eight hundred** dollars ~~(\$60,000)~~ **(\$124,800)** for a single family dwelling unit; or
- (2) three hundred thousand dollars (\$300,000) for any other type of property.

(b) For purposes of this section, the term "property" means a building or structure which was erected at least fifty (50) years before the date of application for the deduction provided by this section. The term "property" does not include land.

(c) For purposes of this section, the term "rehabilitation" means significant repairs, replacements, or improvements to an existing structure that are intended to increase the livability, utility, safety, or

1 value of the property under rules adopted by the department of local
2 government finance.

3 SECTION 28. IC 6-1.1-12-24, AS AMENDED BY P.L.90-2002,
4 SECTION 113, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JANUARY 1, 2004]: Sec. 24. (a) A property owner who desires to
6 obtain the deduction provided by section 22 of this chapter must file a
7 certified deduction application, on forms prescribed by the department
8 of local government finance, with the auditor of the county in which the
9 property is located. The application may be filed in person or by mail.
10 If mailed, the mailing must be postmarked on or before the last day for
11 filing. ~~Except as provided in subsection (b);~~ The application must be
12 filed before May 10 of the year in which the addition to assessed
13 valuation is made.

14 ~~(b) If notice of the addition to assessed valuation for any year is not~~
15 ~~given to the property owner before April 10 of that year, the application~~
16 ~~required by this section may be filed not later than thirty (30) days after~~
17 ~~the date such a notice is mailed to the property owner at the address~~
18 ~~shown on the records of the township assessor.~~

19 ~~(c)~~ **(b)** The application required by this section shall contain the
20 following information:

- 21 (1) the name of the property owner;
- 22 (2) a description of the property for which a deduction is claimed
- 23 in sufficient detail to afford identification;
- 24 (3) the assessed value of the improvements on the property before
- 25 rehabilitation;
- 26 (4) the ~~increase in the~~ assessed value of improvements ~~resulting~~
27 ~~from~~ **after the rehabilitation, or an estimate of the assessed**
28 **value if the assessed value is not known at the time of filing**
29 **of the deduction application;** and
- 30 (5) the amount of deduction claimed, ~~or an estimate of the~~
31 **deduction if the assessed value of the improvements is not**
32 **known at the time of filing of the deduction application.**

33 ~~(d)~~ **(c)** A deduction application filed under this section is applicable
34 for the year in which the addition to assessed value is made and in the
35 immediate following four (4) years without any additional application
36 being filed.

37 ~~(e)~~ **(d)** On verification of the correctness of an application by the
38 assessor of the township in which the property is located, the county
39 auditor shall make the deduction.

40 SECTION 29. IC 6-1.1-12-37, AS AMENDED BY
41 P.L.192-2002(ss), SECTION 32, IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) Each year a
43 person who is entitled to receive the homestead credit provided under
44 IC 6-1.1-20.9 for property taxes payable in the following year is entitled
45 to a standard deduction from the assessed value of the real property,

mobile home not assessed as real property, or manufactured home not assessed as real property that qualifies for the homestead credit. The auditor of the county shall record and make the deduction for the person qualifying for the deduction.

(b) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

(1) one-half (1/2) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or

(2) **the following:**

(A) **Thirty-five thousand dollars (\$35,000) for property taxes first due and payable in 2003 (or that would have been first due and payable in 2003 if the general reassessment affecting the taxing unit had been completed on the date required under IC 6-1.1-4-4(a)).**

(B) **Forty-four thousand dollars (\$44,000) for property taxes first due and payable in 2004 (excluding any amount that would have been first due and payable in 2003 if the general reassessment affecting the taxing unit had been completed on the date required under IC 6-1.1-4-4(a)).**

(C) **Thirty-nine thousand five hundred dollars (\$39,500) for property taxes first due and payable in 2005 and thereafter.**

(c) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

SECTION 30. IC 6-1.1-12-43 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 43. (a) As used in this section, "dwelling" has the meaning set forth in IC 6-1.1-20.9-1.**

(b) **In addition to any other deduction that the person is entitled to take, each year a person who is entitled to receive the homestead credit provided under IC 6-1.1-20.9 for property taxes payable in the following year on real property containing a dwelling that was initially erected at least fifty (50) years before an assessment date to which the deduction applies is entitled to a historic property deduction from the assessed value of the real property that qualifies for the homestead credit. The county auditor of the county in which the dwelling is located shall record**

1 and make the deduction for the person qualifying for the
2 deduction.

3 (c) The amount of the deduction is:

4 (1) four thousand five hundred dollars (\$4,500) if the dwelling
5 was initially erected at least fifty (50) years before an
6 assessment date and not more than one hundred (100) years
7 before the assessment date to which the deduction applies;
8 and

9 (2) nine thousand dollars (\$9,000) if the dwelling on the real
10 property was initially erected more than one hundred (100)
11 years before an assessment date to which the deduction
12 applies.

13 (d) A person who has sold real property to another person
14 under a contract that provides that the contract buyer is to pay
15 the property taxes on the real property may not claim the
16 deduction provided under this section with respect to that real
17 property.

18 SECTION 31. IC 6-1.1-12-44 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
20 UPON PASSAGE]: Sec. 44. (a) As used in this section,
21 "agricultural land" refers to land that is assessed as agricultural
22 land under IC 6-1.1-4-13.

23 (b) As used in this chapter, "farm" means one (1) or more
24 tracts of agricultural land with common ownership that are:

25 (1) devoted to an agricultural use;

26 (2) located in one (1) county; and

27 (3) contiguous, as determined without regard to any
28 intervening public, public utility, or transportation easements
29 or rights-of-way.

30 (c) As used in this section, "farm owner" means a person that:

31 (1) is an owner of a farm; and

32 (2) either is:

33 (A) an individual who:

34 (i) actively participates in; and

35 (ii) alone or with one (1) or more other individuals
36 substantially owns and controls;

37 the use of the agricultural land; or

38 (B) a corporation (as defined in IC 6-3-1-10) or a
39 partnership (as defined in IC 6-3-1-19) that, directly or
40 indirectly, is substantially owned and controlled by one (1)
41 or more individuals who actively participate in and
42 substantially control the use of the agricultural land.

43 (d) As used in this section, "total farmland acreage" means

1 total farmland acreage, as determined for agricultural land under
2 the rules adopted by the department of local government finance.

3 (e) A farm owner is eligible for a farmstead deduction from the
4 assessed valuation of the farm owner's farm. A farm owner is
5 entitled to only one (1) farmstead deduction under this section,
6 regardless of the number of farms in which the farm owner has an
7 ownership interest.

8 (f) The amount of the farmstead deduction is equal to the
9 lesser of the following:

10 (1) The amount specified in section 37(b)(2) of this chapter
11 that is applicable to the year.

12 (2) Twenty percent (20%) of the assessed valuation of the
13 total farmland acreage in the farm.

14 If the farm consists of more than one (1) tract that receives
15 separate tax statements under IC 6-1.1-22-8, the farmstead
16 deduction shall be allocated among the tracts in conformity with
17 the rules adopted by the department of local government finance.

18 (g) To obtain the farmstead deduction under this section, a
19 farm owner must file a certified statement in duplicate:

20 (1) on forms prescribed by the department of local
21 government finance; and

22 (2) containing the information required by the department of
23 local government finance;

24 with the county auditor of the county in which the agricultural
25 land is subject to assessment. The statement must be filed before
26 May 10 of the year containing the assessment date for the first
27 year to which the farmstead deduction is to be applied. Upon
28 verification of the statement by the township assessor of the
29 township in which the agricultural land is subject to assessment,
30 the county auditor shall allow the farmstead deduction.

31 (h) A person who receives a farmstead deduction under this
32 section for a particular year and who remains eligible for the
33 farmstead deduction for the following year is not required to file
34 a statement to apply for the farmstead deduction for the following
35 year.

36 (i) A person who receives a farmstead deduction provided under
37 this section for a particular year and becomes ineligible for the
38 farmstead deduction for the following year shall notify the county
39 auditor of the county in which the agricultural land for which the
40 person received the farmstead deduction is located of the person's
41 ineligibility before March 31 of the year for which the person
42 becomes ineligible. The filing of an amended application under
43 subsection (k) meets the requirements of this subsection.

(j) The county auditor of each county shall, in a particular year, apply a farmstead deduction provided under this section to each person that received the farmstead deduction in the preceding year unless the auditor determines that the person is no longer eligible for the farmstead deduction.

(k) The following do not terminate eligibility for a farmstead deduction under this section:

(1) A change in ownership of agricultural land if:

(A) a person who is a farm owner after the change in ownership or control files an amended application with the county auditor in the county in which the farm is located, in the form prescribed by the department of local government finance before March 31 after the change in ownership occurs; and

(B) the agricultural land otherwise continues to qualify for the farmstead deduction under this section after the change in ownership or control.

(2) A change in the ownership or control of a corporation (as defined in IC 6-3-1-10) or a partnership (as defined in IC 6-3-1-19) that owns agricultural land, if the corporation or the partnership:

(A) files an amended application with the county auditor in the county in which the agricultural land is located in the form prescribed by the department of local government finance before March 31 after the change in ownership or control land occurs; and

(B) otherwise continues to qualify for the farmstead deduction under this section after the change in ownership or control.

In applying subdivision (1) or (2) after the death of a farm owner or a shareholder, partner, member, or beneficiary of a farm owner, the person who is entitled to receive the property interest of the deceased person shall be treated as an owner of the deceased person's interest while the interest is in the estate of the deceased person.

SECTION 32. IC 6-1.1-12.1-4.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4.1. (a) Section 4 of this chapter applies to economic revitalization areas that are not residentially distressed areas.

(b) This subsection applies to economic revitalization areas that are residentially distressed areas. The amount of the deduction that a property owner is entitled to receive under section 3 of this chapter for a particular year equals the lesser of:

(1) the assessed value of the improvement to the property after the rehabilitation or redevelopment has occurred; or

(2) the following amount:

TYPE OF DWELLING	AMOUNT
One (1) family dwelling	\$36,000 \$74,880
Two (2) family dwelling	\$51,000 \$106,080
Three (3) unit multifamily dwelling	\$75,000 \$156,000
Four (4) unit multifamily dwelling	\$96,000 \$199,680

SECTION 33. IC 6-1.1-12.1-5, AS AMENDED BY P.L.245-2003, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection ~~(b)~~ or ~~(c)~~, **(d)**, the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

~~(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.~~

~~(c)~~ **(b)** The deduction application required by this section must contain the following information:

- (1) The name of the property owner.
- (2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (3) The assessed value of the improvements before rehabilitation.
- (4) The ~~increase in the~~ assessed value of improvements, ~~resulting from after~~ the rehabilitation, **or an estimate of the assessed value if the assessed value is not known at the time of filing the deduction application.**
- (5) The assessed value of the new structure in the case of redevelopment, **or an estimate of the assessed value if the assessed value is not known at the time of filing the deduction application.**
- (6) The amount of the deduction claimed for the first year of the deduction, **or an estimate of the deduction if the assessed value of the improvements is not known at the time of filing the deduction application.**
- (7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed, **or an estimate of the deduction if the assessed value of the improvement or new**

structure is not known at the time of filing the deduction application.

~~(c)~~ **(c)** A deduction application filed under subsection (a) ~~or (b)~~ is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

~~(d)~~ **(d)** A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) ~~or (b)~~ may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with ~~subsection (a) or (b):~~ **this section.**

~~(f)~~ **(e)** Subject to subsection ~~(f)~~, **(g)**, the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

~~(g)~~ **(f)** The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection ~~(e)~~ **(d).**

1 ~~(h)~~ The township assessor shall include a notice of the deadlines for
 2 filing a deduction application under subsections (a) and (b) with each
 3 notice to a property owner of an addition to assessed value or of a new
 4 assessment.

5 ~~(f)~~ (g) Before the county auditor acts under subsection ~~(f)~~; (e), the
 6 county auditor may request that the township assessor of the township
 7 in which the property is located review the deduction application.

8 ~~(f)~~ (h) A property owner may appeal the determination of the county
 9 auditor under subsection ~~(f)~~ (e) with respect to a deduction for a
 10 property under section 3 of this chapter by filing a complaint in the
 11 office of the clerk of the circuit or superior court not more than
 12 forty-five (45) days after the county auditor gives the person notice of
 13 the determination. **date of mailing of the tax statement under**
 14 **IC 6-1.1-22-8 for the property taxes based on the assessed value**
 15 **of the property for which the owner seeks the deduction.**

16 SECTION 34. IC 6-1.1-13-1 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. The powers
 18 granted to each county property tax assessment board of appeals under
 19 this chapter apply only to the tangible property assessments made with
 20 respect to the last preceding assessment date. ~~Before a county property~~
 21 ~~tax assessment board of appeals changes any valuation or adds any~~
 22 ~~tangible property and the value of it to a return or the assessment rolls~~
 23 ~~under this chapter, the board shall give prior notice by mail to the~~
 24 ~~taxpayer. The notice must state a time when and place where the~~
 25 ~~taxpayer may appear before the board. The time stated in the notice~~
 26 ~~must be at least ten (10) days after the date the notice is mailed.~~

27 SECTION 35. IC 6-1.1-14-11, AS AMENDED BY P.L.256-2003,
 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JANUARY 1, 2004]: Sec. 11. ~~The department of local government~~
 30 ~~finance shall give notice by mail to a taxpayer whose assessment is to~~
 31 ~~be reviewed under section 10 of this chapter. The notice shall state the~~
 32 ~~time, place, and object of a hearing on the assessment. The time fixed~~
 33 ~~for the hearing must be at least ten (10) days after the day the notice is~~
 34 ~~mailed. After the hearing, The department of local government finance~~
 35 ~~shall assess the property in question and mail a certified notice of its~~
 36 ~~final determination give notice to the appropriate county auditor In~~
 37 ~~addition, the department of local government finance shall notify the~~
 38 ~~taxpayer by mail of its final determination. of the amount of the~~
 39 ~~assessed value of property reassessed under section 10 of this~~
 40 ~~chapter. An assessment or reassessment may not be made under this~~
 41 ~~section unless notice of the final determination of the department of~~
 42 ~~local government finance is given to the taxpayer must be made within~~
 43 ~~the same time period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4. for~~
 44 ~~giving an assessment adjustment notice. A taxpayer may initiate an~~
 45 ~~appeal of the department's final determination by filing a petition with~~

the Indiana board not more than forty-five (45) days after the department gives the taxpayer notice of the final determination: **date of mailing of the tax statement under IC 6-1.1-22-8 for the property taxes based on the assessed value of the property determined under section 10 of this chapter.**

SECTION 36. IC 6-1.1-15-1, AS AMENDED BY P.L.178-2002, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property. ~~if the official's action requires the giving of notice to the taxpayer. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:~~

- ~~(1) the opportunity for review under this section; and~~
- ~~(2) the procedures the taxpayer must follow in order to obtain review under this section.~~

(b) In order to appeal ~~a current an~~ assessment and have a change in the assessment effective for ~~the most recent an~~ assessment date, the taxpayer must ~~file a petition with the assessor of the county in which the action is taken~~

- ~~(1) within forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or~~
- ~~(2) May 10 of that year; whichever is later.~~

request in writing a preliminary conference with the township assessor of the township in which the property is located not later than forty-five (45) days after the date of mailing of the tax statement under IC 6-1.1-22-8. The county township assessor shall notify the county auditor that the assessment is under appeal. The preliminary conference required under this subsection is a prerequisite to a review by the county property tax assessment board of appeals under subsection (h).

(c) A change in an assessment made as a result of ~~an appeal a~~ request filed ~~(1) in the same year that notice of a change in the assessment is given to the taxpayer; and (2) not later than the time prescribed in subsection (b) is effective for the year of the assessment on which the tax statement is based. If the request is filed after the time prescribed in subsection (b), becomes any change made as a result of the request is not effective for until the next assessment date following year.~~

~~(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the~~

year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(c) The department of local government finance shall prescribe the form of the petition for review of an assessment determination by a township assessor. The department shall issue instructions for completion of the form. The form and the instructions must be clear, simple, and understandable to the average individual. An appeal of such a determination must be made on the form prescribed by the department. The form must require the petitioner to specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination;
- (2) All other facts relevant to the assessment determination;
- (3) The reasons why the petitioner believes that the assessment determination by the township assessor is erroneous;

(f) The department of local government finance shall prescribe a form for a response by the township assessor to the petition for review of an assessment determination. The department shall issue instructions for completion of the form. The form must require the township assessor to indicate:

- (1) agreement or disagreement with each item indicated on the petition under subsection (c); and
- (2) the reasons why the assessor believes that the assessment determination is correct;

(d) The written request for a preliminary conference that is required under subsection (b) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.
- (4) A brief statement that the taxpayer believes that the assessment determination is erroneous.

The request need not be certified or verified and need not be on any particular form.

(g) Immediately upon receipt of a timely filed petition on the form prescribed under subsection (c), the county assessor shall forward a copy of the petition to the township assessor who made the challenged assessment. (e) The township assessor shall, within thirty (30) days after the receipt of the petition, attempt to a written request for a preliminary conference, hold a preliminary conference with the petitioner and taxpayer to resolve as many issues as possible by:

- (1) discussing the specifics of the taxpayer's reassessment;

- (2) reviewing the taxpayer's property record card;
- (3) explaining to the taxpayer how the reassessment was determined;
- (4) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the reassessment;
- (5) noting and considering objections of the taxpayer;
- (6) considering all errors alleged by the taxpayer; and
- (7) otherwise educating the taxpayer about:
 - (A) the taxpayer's reassessment;
 - (B) the reassessment process; and
 - (C) the reassessment appeal process.

Within ten (10) days after the conference, the township assessor shall forward to the county auditor and ~~county assessor a completed response to the petition on the form prescribed under subsection (f):~~ The county assessor shall immediately forward a copy of the response form to the petitioner and the county property tax assessment board of appeals the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the township assessor. The township assessor and the taxpayer shall each retain a copy of the form for their records.

(f) The form submitted to the county property tax assessment board of appeals under subsection (e) must specify the following:

- (1) The physical characteristics of the property in issue that bear on the assessment determination.
- (2) All other facts relevant to the assessment determination.
- (3) A list of the reasons the taxpayer believes that the assessment determination by the county or township official is erroneous.
- (4) An indication of the township assessor's agreement or disagreement with each item listed under subdivision (3).
- (5) The reasons the township assessor believes that the assessment determination is correct.

(g) If after the conference there are no items listed in the petition on the form submitted to the county property tax assessment board of appeals under subsection (e) on which there is disagreement:

- (1) the township assessor shall give notice to the ~~petitioner,~~ taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the ~~petitioner taxpayer~~ and the township assessor; and
- (2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-9.

(h) If after the conference there are items listed in the ~~petition form~~ submitted under subsection (e) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the county property tax assessment board of appeals. Except as provided in subsections (i) and (j), the hearing must be held within ninety (90) days of the filing of the petition on those items of disagreement. ~~except as provided in subsections (h) and (i); township assessor's receipt of the taxpayer's written request for a preliminary conference under subsection (b).~~ The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The township assessor or county assessor for the county must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the ~~petitioner's~~ taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item within sixty (60) days of the hearing, except as provided in subsections ~~(h)~~ (i) and ~~(i)~~. ~~If the township assessor does not attempt to hold a preliminary conference, the board shall accept the appeal of the petitioner at the hearing.~~ (j).

~~(h)~~ (i) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

~~(i)~~ (j) This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

(1) hold its hearing within one hundred eighty (180) days instead of ninety (90) days; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item within one hundred twenty (120) days after the hearing.

~~(j)~~ (k) The county property tax assessment board of appeals:

(1) may not require a taxpayer that files a petition for review under this section to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection ~~(g)~~; (a); and

(2) may require the parties to the appeal to file not more than ten
 (10) days before the date of the hearing required under subsection
 (g) lists of witnesses and exhibits to be introduced at the hearing;
 amend the form submitted under subsection (e) if the board
 determines that the amendment is warranted.

SECTION 37. IC 6-1.1-15-2.1, AS AMENDED BY P.L.198-2001,
 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 UPON PASSAGE]: Sec. 2.1. (a) The county property tax assessment
 board of appeals may assess the tangible property in question.

(b) The county property tax assessment board of appeals shall, by
 mail, give notice of the date fixed for the hearing under section 1 of this
 chapter to the ~~petitioner~~, **taxpayer** and to the township assessor.

~~(c) If a petition for review does not comply with the department of~~
~~local government finance's instructions for completing the form~~
~~prescribed under section 1(e) of this chapter, the county assessor shall~~
~~return the petition to the petitioner and include a notice describing the~~
~~defect in the petition. The petitioner then has thirty (30) days from the~~
~~date on the notice to cure the defect and file a corrected petition or~~
~~statement with the county assessor that the petitioner believes the~~
~~petition is not defective. If a statement is filed or the county assessor~~
~~believes a corrected petition is not in compliance with section 1(e) of~~
~~this chapter, the assessor shall forward the statement or corrected~~
~~petition to the county property tax assessment board of appeals. Within~~
~~ten (10) days after receiving the statement or petition, the county~~
~~property tax assessment board of appeals shall determine if the original~~
~~or corrected petition is still not in compliance. The county property tax~~
~~assessment board of appeals shall deny an original or a corrected~~
~~petition for review if it does not substantially comply with the~~
~~department of local government finance's instructions for completing~~
~~the form prescribed under section 1(e) of this chapter.~~

~~(d)~~ (c) The department of local government finance shall prescribe a
 form for use by the county property tax assessment board of appeals
 in processing ~~petitions for a review of an assessment determinations.~~
determination. The department shall issue instructions for completion
 of the form. The form must require the county property tax assessment
 board of appeals to include a record of the hearing, findings on each
 item, and indicate agreement or disagreement with each item that is

~~(1)~~ indicated on the **petition form submitted by the taxpayer and**
township assessor under section 1(e) of this chapter. ~~and~~

~~(2) included in the township assessor's response under section 1(g)~~
~~of this chapter.~~

The form must also require the county property tax assessment board
 of appeals to indicate the issues in dispute for each item and its reasons
 in support of its resolution of those issues.

~~(e)~~ (d) After the hearing the county property tax assessment board of

appeals shall, by mail, give notice of its determination to the ~~petitioner,~~
taxpayer, the township assessor, and the county assessor and shall
include with the notice copies of the forms completed under subsection
~~(d)~~ **(c)**.

SECTION 38. IC 6-1.1-15-3, AS AMENDED BY P.L.256-2003,
SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 3. (a) A taxpayer may obtain a review by the
Indiana board of a county property tax assessment board of appeals
action with respect to the assessment of that taxpayer's tangible
property if the county property tax assessment board of appeals' action
requires the giving of notice to the taxpayer. A township assessor,
county assessor, member of a county property tax assessment board
of appeals, or county property tax assessment board of appeals that
made the original determination under appeal under this section is a
party to the review under this section to defend the determination. At
the time that notice is given to the taxpayer, the taxpayer shall also be
informed in writing of:

- (1) the taxpayer's opportunity for review under this section; and
- (2) the procedures the taxpayer must follow in order to obtain
review under this section.

(b) A township assessor or county assessor may obtain a review by
the Indiana board of any assessment which the township assessor or
the county assessor has made, upon which the township assessor or
the county assessor has passed, or which has been made over the
township assessor's or the county assessor's protest.

(c) In order to obtain a review by the Indiana board under this
section, the party must file a petition for review with the appropriate
county assessor within thirty (30) days after the notice of the county
property tax assessment board of appeals action is given to the
taxpayer.

(d) The Indiana board shall prescribe the form of the petition for
review of an assessment determination by the county property tax
assessment board of appeals. The Indiana board shall issue instructions
for completion of the form. The form and the instructions must be
clear, simple, and understandable to the average individual. An appeal of
such a determination must be made on the form prescribed by the
Indiana board. The form must require the petitioner to specify the
following:

- (1) **If the county or township official held a preliminary
conference under section 1(e) of this chapter**, the items listed
in section ~~1(e)(1)~~ **1(f)(1)** and ~~1(e)(2)~~ **1(f)(2)** of this chapter.
- (2) The reasons why the petitioner believes that the assessment
determination by the county property tax assessment board of
appeals is erroneous.

(e) The county assessor shall transmit the petition for review to the

1 Indiana board within ten (10) days after it is filed.

2 (f) If a township assessor or a member of the county property tax
3 assessment board of appeals files a petition for review under this
4 section concerning the assessment of a taxpayer's property, the county
5 assessor must send a copy of the petition to the taxpayer.

6 SECTION 39. IC 6-1.1-15-4, AS AMENDED BY P.L.245-2003,
7 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
8 UPON PASSAGE]: Sec. 4. (a) After receiving a petition for review
9 which is filed under section 3 of this chapter, the Indiana board shall
10 conduct a hearing at its earliest opportunity. The Indiana board may:

11 (1) assign:

12 (A) full;

13 (B) limited; or

14 (C) no;

15 evidentiary value to the assessed valuation of tangible property
16 determined by stipulation submitted as evidence of a comparable
17 sale; and

18 (2) correct any errors that may have been made, and adjust the
19 assessment in accordance with the correction.

20 If the Indiana board conducts a site inspection of the property as part
21 of its review of the petition, the Indiana board shall give notice to all
22 parties of the date and time of the site inspection. The Indiana board is
23 not required to assess the property in question. The Indiana board shall
24 give notice of the date fixed for the hearing, by mail, to the taxpayer and
25 to the appropriate township assessor, county assessor, and county
26 auditor. The Indiana board shall give these notices at least thirty (30)
27 days before the day fixed for the hearing. The property tax assessment
28 board of appeals that made the determination under appeal under this
29 section may, with the approval of the county executive, file an amicus
30 curiae brief in the review proceeding under this section. The expenses
31 incurred by the property tax assessment board of appeals in filing the
32 amicus curiae brief shall be paid from the property reassessment fund
33 under IC 6-1.1-4-27.5. The executive of a taxing unit may file an
34 amicus curiae brief in the review proceeding under this section if the
35 property whose assessment is under appeal is subject to assessment by
36 that taxing unit.

37 (b) If a petition for review does not comply with the Indiana board's
38 instructions for completing the form prescribed under section 3 of this
39 chapter, the Indiana board shall return the petition to the petitioner and
40 include a notice describing the defect in the petition. The petitioner then
41 has thirty (30) days from the date on the notice to cure the defect and
42 file a corrected petition. The Indiana board shall deny a corrected
43 petition for review if it does not substantially comply with the Indiana
44 board's instructions for completing the form prescribed under section
45 3 of this chapter.

46 (c) The Indiana board shall prescribe a form for use in processing

petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

(1) **if the county or township official held a preliminary conference under section 1(e) of this chapter**, indicated on the petition submitted under ~~section 1(c) of this chapter~~; **that section by the taxpayer and the official;**

~~(2) included in the township assessor's response under section 1(g) of this chapter~~; and

~~(3) (2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) 2.1(c) of this chapter.~~

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(d) After the hearing the Indiana board shall give the petitioner, the township assessor, the county assessor, and the county auditor:

(1) notice, by mail, of its final determination;

(2) a copy of the form completed under subsection (c); and

(3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(e) Except as provided in subsection (f), the Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(f) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

(g) Except as provided in subsection (h), the Indiana board shall make a determination not later than the later of ninety (90) days after the hearing or the date set in an extension order issued by the Indiana board.

(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of one hundred eighty (180) days after the hearing or the date set in an extension order issued by the Indiana board.

(i) Except as provided in subsection (n), the Indiana board may not extend the final determination date under subsection (g) or (h) by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the

1 entity that initiated the petition may:

2 (1) take no action and wait for the Indiana board to make a final
3 determination; or

4 (2) petition for judicial review under section 5(g) of this chapter.

5 (j) A final determination must include separately stated findings of
6 fact for all aspects of the determination. Findings of ultimate fact must
7 be accompanied by a concise statement of the underlying basic facts of
8 record to support the findings. Findings must be based exclusively upon
9 the evidence on the record in the proceeding and on matters officially
10 noticed in the proceeding. Findings must be based upon a
11 preponderance of the evidence.

12 (k) The Indiana board may limit the scope of the appeal to the issues
13 raised in the petition and the evaluation of the evidence presented to the
14 county property tax assessment board of appeals in support of those
15 issues only if all persons participating in the hearing required under
16 subsection (a) agree to the limitation. A person participating in the
17 hearing required under subsection (a) is entitled to introduce evidence
18 that is otherwise proper and admissible without regard to whether that
19 evidence has previously been introduced at a hearing before the county
20 property tax assessment board of appeals.

21 (l) The Indiana board:

22 (1) may require the parties to the appeal to file not more than five
23 (5) business days before the date of the hearing required under
24 subsection (a) documentary evidence or summaries of statements
25 of testimonial evidence; and

26 (2) may require the parties to the appeal to file not more than fifteen
27 (15) business days before the date of the hearing required under
28 subsection (a) lists of witnesses and exhibits to be introduced at the
29 hearing.

30 (m) A party to a proceeding before the Indiana board shall provide to
31 another party to the proceeding the information described in subsection
32 (l) if the other party requests the information in writing at least ten (10)
33 days before the deadline for filing of the information under subsection
34 (l).

35 (n) The county assessor may:

36 (1) appear as an additional party if the notice of appearance is filed
37 before the review proceeding; or

38 (2) with the approval of the township assessor, represent the
39 township assessor;

40 in a review proceeding under this section.

41 (o) The Indiana board may base its final determination on a stipulation
42 between the respondent and the petitioner. If the final determination is
43 based on a stipulated assessed valuation of tangible property, the Indiana
44 board may order the placement of a notation on the permanent
45 assessment record of the tangible property that the assessed valuation
46 was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 40. IC 6-1.1-15-10, AS AMENDED BY P.L.1-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) If a petition for review to any board or a proceeding for judicial review in the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the proceeding for judicial review, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or a proceeding for judicial review is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is stayed under IC 4-21.5-5-9 pending a final determination in the proceeding for judicial review. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

(1) the assessed value reported by the taxpayer on the taxpayer's personal property return if a personal property assessment, or an increase in such an assessment, is involved; or

(2) an amount based on the immediately preceding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

(b) If the petition for review or the proceeding for judicial review is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

(c) Each county auditor shall keep separate on the tax duplicate a record of that portion of the assessed value of property

~~(1) on which a taxpayer is not required to pay taxes under subsection (a); or~~

~~(2) that is described in IC 6-1.1-17-0.5(b).~~

When establishing rates and calculating state school support, the department of local government finance shall recognize the fact that a taxpayer is not required to pay taxes under certain circumstances exclude from assessed value in the county the assessed value of property kept separate on the tax duplicate by the county auditor under IC 6-1.1-17-0.5(b).

SECTION 41. IC 6-1.1-15-11, AS AMENDED BY P.L.90-2002, SECTION 140, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

UPON PASSAGE]: Sec. 11. If a review or appeal authorized under this chapter results in a reduction of the amount of an assessment or if the department of local government finance on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. ~~If~~ After the credit is given, **the county auditor shall:**

(1) **determine if** a further amount is due the taxpayer; ~~he may file a claim for and~~

(2) **if a further amount is due the taxpayer, notwithstanding IC 5-11-10-1 and IC 36-2-6-2, amount due. If the claim is allowed by The board of county commissioners, the county auditor shall,** without a claim or an appropriation being required, pay the amount due the taxpayer.

The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid. **The county auditor shall notify the county executive of the payment of the amount due and publish the allowance in the manner provided in IC 36-2-6-3.**

SECTION 42. IC 6-1.1-15-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 13. ~~If notice of the action of a board or official is not otherwise given in accordance with the general assessment provisions of this article;~~ The receipt by the taxpayer of the tax bill resulting from ~~that an~~ **an action of a board or an official** is the taxpayer's notice for the purpose of determining the taxpayer's right to obtain a review or initiate an appeal under this chapter.

SECTION 43. IC 6-1.1-16-1, AS AMENDED BY P.L.90-2002, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 1. (a) Except as provided in section 2 of this chapter, an assessing official, county assessor, or county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a personal property return unless the assessing official, county assessor, or county property tax assessment board of appeals takes the action ~~and gives the notice required by IC 6-1.1-3-20~~ within the following ~~time~~ periods:

(1) A township or county assessing official must make a change in the assessed value ~~and give the notice of the change~~ on or before the ~~latter~~ **later** of:

(A) September 15 of the year for which the assessment is made; or

(B) four (4) months from the date the personal property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(2) A county assessor or county property tax assessment board of appeals must make a change in the assessed value, including the

1 final determination by the board of an assessment changed by a
 2 township or county assessing official, or county property tax
 3 assessment board of appeals ~~and give the notice of the change~~ on
 4 or before the ~~latter~~ **later** of:

- 5 (A) October 30 of the year for which the assessment is made; or
- 6 (B) five (5) months from the date the personal property return is
 7 filed if the return is filed after May 15 of the year for which the
 8 assessment is made.

9 (3) The department of local government finance must make a
 10 ~~preliminary~~ change in the assessed value ~~and give the notice of the~~
 11 ~~change~~ on or before the ~~latter~~ **later** of:

- 12 (A) October 1 of the year immediately following the year for
 13 which the assessment is made; or
- 14 (B) sixteen (16) months from the date the personal property
 15 return is filed if the return is filed after May 15 of the year for
 16 which the assessment is made.

17 (b) Except as provided in section 2 of this chapter, if an assessing
 18 official, a county assessor, or a county property tax assessment board
 19 of appeals fails to change an assessment ~~and give notice of the change~~
 20 within the time prescribed by this section, the assessed value claimed
 21 by the taxpayer on the personal property return is final.

22 (c) This section does not limit the authority of a county auditor to
 23 correct errors in a tax duplicate under IC 6-1.1-15-12.

24 (d) This section does not apply if the taxpayer:

- 25 (1) fails to file a personal property return which substantially
 26 complies with the provisions of this article and the regulations of
 27 the department of local government finance; or
- 28 (2) files a fraudulent personal property return with the intent to
 29 evade the payment of property taxes.

30 (e) A taxpayer may appeal a ~~preliminary~~ determination of the
 31 department of local government finance under subsection (a)(3) to the
 32 Indiana board ~~An appeal under this subdivision shall be conducted in the~~
 33 ~~same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8.~~
 34 **by filing a petition with the Indiana board not more than forty-five**
 35 **(45) days after the date of mailing of the tax statement under**
 36 **IC 6-1.1-22-8 for the property taxes based on the assessed value**
 37 **of the property determined under subsection (a)(3). A preliminary**
 38 **determination that is not appealed under this subsection is a final**
 39 **unappealable order of the department of local government finance.**

40 SECTION 44. IC 6-1.1-17-20 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 20. (a) This section
 42 applies:

- 43 (1) to each governing body of a taxing unit that is not comprised of
 44 a majority of officials who are elected to serve on the governing
 45 body; and

(2) if the proposed property tax levy for the taxing unit for the ensuing calendar year is more than five percent (5%) greater than the property tax levy for the taxing unit for the current calendar year.

(b) As used in this section, "taxing unit" has the meaning set forth in IC 6-1.1-1-21, except that the term does not include a school corporation. ~~or a public library district.~~

(c) If:

(1) the assessed valuation of a taxing unit is entirely contained within a city or town; or

(2) the assessed valuation of a taxing unit is not entirely contained within a city or town but the taxing unit was originally established by the city or town;

the governing body shall submit its proposed budget and property tax levy to the city or town fiscal body. The proposed budget and levy shall be submitted at least fourteen (14) days before the city or town fiscal body is required to hold budget approval hearings under this chapter.

(d) If subsection (c) does not apply, the governing body of the taxing unit shall submit its proposed budget and property tax levy to the county fiscal body in the county where the taxing unit has the most assessed valuation. The proposed budget and levy shall be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings under this chapter.

(e) The fiscal body of the city, town, or county (whichever applies) shall review each budget and proposed tax levy and adopt a final budget and tax levy for the taxing unit. The fiscal body may reduce or modify but not increase the proposed budget or tax levy. ~~However, the fiscal body may not reduce the proposed tax levy to an amount that is less than the maximum permissible levy under IC 6-1.1-18.5-3.~~

SECTION 45. IC 6-1.1-18-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) For purposes of this section, "maximum rate" refers to the maximum:**

(1) property tax rate or rates; or

(2) special benefits tax rate or rates;

referred to in the statutes listed in subsection (d).

(b) The maximum rate for taxes first due and payable after 2003 is the maximum rate that would have been determined under subsection (e) for taxes first due and payable in 2003 if subsection (e) had applied for taxes first due and payable in 2003.

(c) The maximum rate must be adjusted:

(1) each time an annual adjustment of the assessed value of real property takes effect under IC 6-1.1-4-4.5; and

(2) each time a general reassessment of real property takes effect under IC 6-1.1-4-4.

- 1 **(d) The statutes to which subsection (a) refers are:**
- 2 **(1) IC 6-1.1-18-2;**
- 3 **(2) IC 6-1.1-18.5-13(7);**
- 4 **(3) IC 6-1.1-18.5-13(8);**
- 5 **(4) IC 6-1.1-18.5-13(9);**
- 6 **(5) IC 6-1.1-18.5-13(11);**
- 7 **(6) IC 8-10-5-17;**
- 8 **(7) IC 8-22-3-11;**
- 9 **(8) IC 8-22-3-25;**
- 10 **(9) IC 12-20-23-2;**
- 11 **(10) IC 12-29-1-1;**
- 12 **(11) IC 12-29-1-2;**
- 13 **(12) IC 12-29-1-3;**
- 14 **(13) IC 12-29-2-13;**
- 15 **(14) IC 12-29-3-6;**
- 16 **(15) IC 13-21-3-12;**
- 17 **(16) IC 13-21-3-15;**
- 18 **(17) IC 14-27-6-30;**
- 19 **(18) IC 14-33-7-3;**
- 20 **(19) IC 14-33-21-5;**
- 21 **(20) IC 15-1-6-2;**
- 22 **(21) IC 15-1-8-1;**
- 23 **(22) IC 15-1-8-2;**
- 24 **(23) IC 16-20-2-18;**
- 25 **(24) IC 16-20-4-27;**
- 26 **(25) IC 16-20-7-2;**
- 27 **(26) IC 16-23-1-29;**
- 28 **(27) IC 16-23-3-6;**
- 29 **(28) IC 16-23-4-2;**
- 30 **(29) IC 16-23-5-6;**
- 31 **(30) IC 16-23-7-2;**
- 32 **(31) IC 16-23-8-2;**
- 33 **(32) IC 16-23-9-2;**
- 34 **(33) IC 16-41-15-5;**
- 35 **(34) IC 16-41-33-4;**
- 36 **(35) IC 20-5-17.5-2;**
- 37 **(36) IC 20-5-17.5-3;**
- 38 **(37) IC 20-5-37-4;**
- 39 **(38) IC 20-14-7-5.1;**
- 40 **(39) IC 20-14-7-6;**
- 41 **(40) IC 20-14-13-12;**
- 42 **(41) IC 21-1-11-3;**
- 43 **(42) IC 21-2-17-2;**

- 1 (43) IC 23-13-17-1;
- 2 (44) IC 23-14-66-2;
- 3 (45) IC 23-14-67-3;
- 4 (46) IC 36-7-13-4;
- 5 (47) IC 36-7-14-28;
- 6 (48) IC 36-7-15.1-16;
- 7 (49) IC 36-8-19-8.5;
- 8 (50) IC 36-9-6.1-2;
- 9 (51) IC 36-9-17.5-4;
- 10 (52) IC 36-9-27-73;
- 11 (53) IC 36-9-29-31;
- 12 (54) IC 36-9-29.1-15;
- 13 (55) IC 36-10-6-2;
- 14 (56) IC 36-10-7-7;
- 15 (57) IC 36-10-7-8;
- 16 (58) IC 36-10-7.5-19; and
- 17 (59) any statute enacted after December 31, 2003, that:
 - 18 (A) establishes a maximum rate for any part of the:
 - 19 (i) property taxes; or
 - 20 (ii) special benefits taxes;
 - 21 imposed by a political subdivision; and
 - 22 (B) does not exempt the maximum rate from the
 - 23 adjustment under this section.
- 24 (e) The new maximum rate under a statute listed in subsection
- 25 (d) is the tax rate determined under STEP SEVEN of the following
- 26 STEPS:
 - 27 STEP ONE: Determine the maximum rate for the political
 - 28 subdivision levying a property tax or special benefits tax under
 - 29 the statute for the year preceding the year in which the
 - 30 annual adjustment or general reassessment takes effect.
 - 31 STEP TWO: Determine the actual percentage increase
 - 32 (rounded to the nearest one-hundredth percent (0.01%)) in
 - 33 the assessed value (before the adjustment, if any, under
 - 34 IC 6-1.1-4-4.5) of the taxable property from the year
 - 35 preceding the year the annual adjustment or general
 - 36 reassessment takes effect to the year that the annual
 - 37 adjustment or general reassessment takes effect.
 - 38 STEP THREE: Determine the three (3) calendar years that
 - 39 immediately precede the ensuing calendar year and in which
 - 40 a statewide general reassessment of real property does not
 - 41 first take effect.
 - 42 STEP FOUR: Compute separately, for each of the calendar
 - 43 years determined in STEP THREE, the actual percentage

increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(f) The maximum property tax rates under:

(1) IC 14-23-3-3; and

(2) IC 15-1.5-8-1;

are subject to the adjustment under the subsection (e) formula for property taxes first due and payable after 2005.

(g) The department of local government finance shall compute the maximum rate allowed under subsection (e) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (d).

SECTION 46. IC 6-1.1-18.5-1, AS AMENDED BY P.L.198-2001, SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means: ~~the greater of:~~

~~(1) the civil taxing unit's maximum permissible ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year; as that levy was determined under section 3 of this chapter; or~~

(1) for purposes of determining a civil taxing unit's maximum ad valorem property tax levy for the ensuing calendar year first due and payable in 2004 (excluding any amount that would have been first due and payable in 2003 if the general reassessment affecting the taxing unit had been completed on March 1, 2002), the amount determined under section 21 of this chapter; and

(2) **for purposes of determining the maximum ad valorem property tax levy for an ensuing calendar year after 2004**, the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, **and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as determined by the department of local government finance.**

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.

SECTION 47. IC 6-1.1-18.5-2, AS AMENDED BY P.L.192-2002(ss), SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this section, "Indiana nonfarm personal income" means the estimate of total nonfarm personal income for Indiana in a calendar year as computed by the federal Bureau of Economic Analysis using any actual data for the calendar year and any estimated data determined appropriate by the federal Bureau of Economic Analysis.

(b) For purposes of determining a civil taxing unit's maximum permissible ad valorem property tax levy for an ensuing calendar year, the civil taxing unit shall use the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 for the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) **The following:**

(i) **One and five-hundredths (1.05) for ad valorem property tax levies for the ensuing calendar year 2004 (excluding any amount that would have been first due and payable in 2003 if the general reassessment affecting the taxing unit had been completed on March 1, 2002).**

(ii) **One and six-hundredths (1.06) for ad valorem property tax levies for an ensuing year after 2004.**

SECTION 48. IC 6-1.1-18.5-16, AS AMENDED BY P.L.90-2002, SECTION 171, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A civil taxing unit may request permission from the local government tax control board to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if:

(1) the civil taxing unit experienced a property tax revenue shortfall that resulted from erroneous assessed valuation figures being provided to the civil taxing unit;

(2) the erroneous assessed valuation figures were used by the civil taxing unit in determining its total property tax rate; and

(3) the error in the assessed valuation figures was found after the civil taxing unit's property tax levy resulting from that total rate was finally approved by the department of local government finance.

(b) A civil taxing unit may request permission from the local government tax control board to impose an ad valorem property tax levy that exceeds the limits imposed by section 3 of this chapter if the civil taxing unit experienced a property tax revenue shortfall because of the payment of refunds that resulted from appeals under this article and IC 6-1.5.

(c) If the local government tax control board determines that ~~such~~ a shortfall **described in subsection (a) or (b)** has occurred, it shall recommend to the department of local government finance that the civil taxing unit be allowed to impose a property tax levy exceeding the limit imposed by section 3 of this chapter, and the department ~~shall~~ **may** adopt such recommendation. However, the maximum amount by which the civil taxing unit's levy may be increased over the limits imposed by section 3 of this chapter equals the remainder of the civil taxing unit's property tax levy for the particular calendar year as finally approved by the department of local government finance minus the actual property tax levy collected by the civil taxing unit for that particular calendar year.

~~(c)~~ **(d)** Any property taxes collected by a civil taxing unit over the limits imposed by section 3 of this chapter under the authority of this section may not be treated as a part of the civil taxing unit's maximum

1 permissible ad valorem property tax levy for purposes of determining
2 its maximum permissible ad valorem property tax levy for future years.

3 ~~(d)~~ (e) If the department of local government finance authorizes an
4 excess tax levy under this section, it shall take appropriate steps to
5 insure that the proceeds are first used to repay any loan made to the
6 civil taxing unit for the purpose of meeting its current expenses.

7 SECTION 49. IC 6-1.1-18.5-17, AS AMENDED BY P.L.90-2002,
8 SECTION 172, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 UPON PASSAGE]: Sec. 17. (a) As used in this section, "levy excess"
10 means the part of the ad valorem property tax levy actually collected by
11 a civil taxing unit, for taxes first due and payable during a particular
12 calendar year, that exceeds the civil taxing unit's ad valorem property
13 tax levy, as approved by the department of local government finance
14 under IC 6-1.1-17.

15 (b) A civil taxing unit's levy excess is valid and may not be contested
16 on the grounds that it exceeds the civil taxing unit's levy limit for the
17 applicable calendar year. However, the civil taxing unit shall deposit,
18 except as provided in subsection (h), ~~the part of its levy that exceeds~~
19 ~~one hundred two percent (102%) of the civil taxing unit's ad valorem~~
20 ~~property tax levy for the applicable calendar year, as approved by the~~
21 ~~department of local government finance under IC 6-1.1-17, excess in~~
22 a special fund to be known as the civil taxing unit's levy excess fund.

23 (c) The chief fiscal officer of a civil taxing unit may invest money in
24 the civil taxing unit's levy excess fund in the same manner in which
25 money in the civil taxing unit's general fund may be invested. However,
26 any income derived from investment of the money shall be deposited in
27 and becomes a part of the levy excess fund.

28 (d) The department of local government finance ~~may~~ shall require a
29 civil taxing unit to include the amount in its levy excess fund in the civil
30 taxing unit's budget fixed under IC 6-1.1-17.

31 (e) Except as provided by subsection (f), a civil taxing unit may not
32 spend any money in its levy excess fund until the expenditure of the
33 money has been included in a budget that has been approved by the
34 department of local government finance under IC 6-1.1-17. For
35 purposes of fixing its budget and for purposes of the **ad valorem**
36 property tax levy limits imposed under this chapter, a civil taxing unit
37 shall treat the money in its levy excess fund that the department of local
38 government finance permits it to spend during a particular calendar year
39 as part of its ad valorem property tax levy for that same calendar year.

40 (f) A civil taxing unit may transfer money from its levy excess fund
41 to its other funds to reimburse those funds for amounts withheld from
42 the civil taxing unit as a result of refunds paid under IC 6-1.1-26.

43 (g) Subject to the limitations imposed by this section, a civil taxing
44 unit may use money in its levy excess fund for any lawful purpose for
45 which money in any of its other funds may be used.

(h) If the amount that would, notwithstanding this subsection, be deposited in the levy excess fund of a civil taxing unit for a particular calendar year is less than one hundred dollars (\$100), no money shall be deposited in the levy excess fund of the unit for that year.

SECTION 50. IC 6-1.1-18.5-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: **Sec. 21. (a) The department of local government finance shall recalculate a civil taxing unit's maximum permissible ad valorem property tax levy for the preceding calendar year under this section and use the recalculated amount in the computations under section 3 of this chapter to determine the civil taxing unit's maximum ad valorem property tax levy for the ensuing calendar year of 2004.**

(b) The recalculated maximum permissible ad valorem property tax levy for the preceding calendar year is the amount determined under STEP SIX of the following formula:

STEP ONE: Determine the civil taxing unit's certified ad valorem property tax levy for calendar year 2002, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for calendar year 2002 under IC 6-1.1-17.

STEP TWO: Multiply the STEP ONE amount by one and five hundredths (1.05).

STEP THREE: Determine the amount of that part of the civil taxing unit's certified ad valorem property tax levy for calendar year 2003, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for calendar year 2003 under IC 6-1.1-17, that resulted from the granting of one (1) or more appeals filed under section 12 of this chapter in 2002 for the ensuing calendar year 2003.

STEP FOUR: Determine the sum of the STEP TWO and STEP THREE amounts.

STEP FIVE: Determine the civil taxing unit's total certified ad valorem property tax levy for calendar year 2003, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for calendar year 2003 under IC 6-1.1-17.

STEP SIX: Determine the lesser of the following:

(A) The STEP FOUR amount.

(B) The STEP FIVE amount.

SECTION 51. IC 6-1.1-18.6-2, AS AMENDED BY P.L.273-1999, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2003 (RETROACTIVE)]: Sec. 2. A county may not impose a county family and children property tax levy for an ensuing calendar year that exceeds the ~~product of: levy determined under IC 12-19-7-4.~~

~~(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by~~

~~(2) the maximum county family and children property tax levy that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.~~

SECTION 52. IC 6-1.1-18.6-2.2, AS ADDED BY P.L.224-2003, SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 2.2. A county may not impose a county children's psychiatric residential treatment services property tax levy for an ensuing calendar year that exceeds the ~~product of: levy determined under IC 12-19-7.5-6.~~

~~(1) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for the ensuing calendar year; multiplied by~~

~~(2) the maximum county children's psychiatric residential treatment services property tax levy that the county could have imposed for the calendar year immediately preceding the ensuing calendar year under the limitations set by this section.~~

SECTION 53. IC 6-1.1-19-1.5, AS AMENDED BY P.L.276-2003, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the school corporation's previous year general fund property tax rate after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).

(b) Except as otherwise provided in this chapter, a school corporation may not, for a calendar year beginning after December 31, 2004, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate;

1 minus
2 (B) the school corporation's previous year property tax rate.
3 STEP TWO: If the school corporation's adjusted target property
4 tax rate:
5 (A) exceeds the school corporation's previous year property tax
6 rate, perform the calculation under STEP THREE and not under
7 STEP FOUR;
8 (B) is less than the school corporation's previous year property
9 tax rate, perform the calculation under STEP FOUR and not
10 under STEP THREE; or
11 (C) equals the school corporation's previous year property tax
12 rate, determine the levy resulting from using the school
13 corporation's adjusted target property tax rate and do not perform
14 the calculation under STEP THREE or STEP FOUR.
15 STEP THREE: Determine the levy resulting from using the school
16 corporation's previous year property tax rate after increasing the
17 rate by the lesser of:
18 (A) the STEP ONE result; or
19 (B) five cents (\$0.05).
20 STEP FOUR: Determine the levy resulting from using the school
21 corporation's previous year property tax rate after reducing the rate
22 by the lesser of:
23 (A) the absolute value of the STEP ONE result; or
24 (B) five cents (\$0.05).
25 STEP FIVE: Determine the result of:
26 (A) the STEP TWO (C), STEP THREE, or STEP FOUR result,
27 whichever applies; plus
28 (B) an amount equal to the annual decrease in federal aid to
29 impacted areas from the year preceding the ensuing calendar year
30 by three (3) years to the year preceding the ensuing calendar year
31 by two (2) years.
32 The maximum levy is to include the portion of any excessive levy
33 and the levy for new facilities.
34 STEP SIX: Determine the result of:
35 (A) the STEP FIVE result; plus
36 (B) the product of:
37 (i) the weighted average of the amounts determined under
38 IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended
39 by students who have legal settlement in the school
40 corporation; multiplied by
41 (ii) thirty-five hundredths (0.35).
42 In determining the number of students for purposes of this
43 STEP, each kindergarten pupil shall be counted as one-half (1/2)
44 pupil.
45 The result determined under this STEP may not be included in the
46 school corporation's adjusted base levy for the year following the

1 year in which the result applies or in the school corporation's
2 determination of tuition support.

3 (c) For purposes of this section, "total assessed value" ~~as adjusted~~
4 ~~under subsection (d)~~, with respect to a school corporation means the
5 total assessed value of all taxable property for ad valorem property taxes
6 first due and payable during that year.

7 ~~(d) The department of local government finance may adjust the total~~
8 ~~assessed value of a school corporation to eliminate the effects of~~
9 ~~appeals and settlements arising from a statewide general reassessment~~
10 ~~of real property.~~

11 ~~(e)~~ (d) The department of local government finance shall annually
12 establish an assessment ratio and adjustment factor for each school
13 corporation to be used upon the review and recommendation of the
14 budget committee. The information compiled, including background
15 documentation, may not be used in a:

- 16 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13,
- 17 IC 6-1.1-14, or IC 6-1.1-15;
- 18 (2) petition for a correction of error under IC 6-1.1-15-12; or
- 19 (3) petition for refund under IC 6-1.1-26.

20 ~~(f)~~ (e) All tax rates shall be computed by rounding the rate to the
21 nearest one-hundredth of a cent (\$0.0001). All tax levies shall be
22 computed by rounding the levy to the nearest dollar amount.

23 ~~(g)~~ (f) For the calendar year beginning January 1, 2004, and ending
24 December 31, 2004, a school corporation may impose a general fund
25 ad valorem property tax levy in the amount determined under STEP
26 ~~SEVEN EIGHT~~ of the following formula:

27 STEP ONE: Determine the quotient of:

- 28 (A) the school corporation's 2003 assessed valuation; divided by
- 29 (B) the school corporation's 2002 assessed valuation.

30 STEP TWO: Determine the greater of zero (0) or the difference
31 between:

- 32 (A) the STEP ONE amount; minus
- 33 (B) one (1).

34 STEP THREE: Determine the lesser of eleven-hundredths (0.11) or
35 the product of:

- 36 (A) the STEP TWO amount; multiplied by
- 37 (B) eleven-hundredths (0.11).

38 STEP FOUR: Determine the sum of:

- 39 (A) the STEP THREE amount; plus
- 40 (B) one (1).

41 STEP FIVE: Determine the product of:

- 42 (A) the STEP FOUR amount; multiplied by
- 43 (B) the school corporation's general fund ad valorem property tax
44 levy for calendar year 2003.

45 STEP SIX: Determine the lesser of:

- (A) the STEP FIVE amount; or
- (B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents (\$0.05).

STEP SEVEN: Determine the result of:

- (A) the STEP SIX amount; plus
- (B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the part of any excessive levy and the levy for new facilities.

STEP EIGHT: Determine the result of:

- (A) the STEP SEVEN result; plus
- (B) the product of:
 - (i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by
 - (ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

SECTION 54. IC 6-1.1-19-1.7, AS AMENDED BY P.L.90-2002, SECTION 174, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.7. (a) As used in this section, "levy excess" means that portion of the ad valorem property tax levy actually collected by a school corporation, for taxes first due and payable during a particular calendar year, which exceeds the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for those property taxes.

(b) A school corporation's levy excess is valid, and the general fund portion of a school corporation's levy excess may not be contested on the grounds that it exceeds the school corporation's general fund levy limit for the applicable calendar year. However, the school corporation shall deposit, except as provided in subsection (h), ~~that portion of a school corporation's~~ its levy excess ~~which exceeds one hundred two percent (102%) of the school corporation's total levy, as approved by the department of local government finance under IC 6-1.1-17, for the applicable calendar year,~~ in a special fund to be known as the school corporation's levy excess fund.

(c) The chief fiscal officer of a school corporation may invest money

1 in the school corporation's levy excess fund in the same manner in
 2 which money in the school corporation's general fund may be invested.
 3 However, any income derived from investment of the money shall be
 4 deposited in and become a part of the levy excess fund.

5 (d) The department of local government finance may require a school
 6 corporation to include the amount in the school corporation's levy
 7 excess fund in the school corporation's budget fixed under IC 6-1.1-17.

8 (e) Except as provided in subsection (f), a school corporation may
 9 not spend any money in its levy excess fund until the expenditure of the
 10 money has been included in a budget that has been approved by the
 11 department of local government finance under IC 6-1.1-17. For
 12 purposes of fixing its budget and for purposes of the **ad valorem**
 13 property tax levy limits fixed under this chapter, a school corporation
 14 shall treat the money in its levy excess fund that the department of local
 15 government finance permits the school corporation to spend during a
 16 particular calendar year as part of the school corporation's ad valorem
 17 property tax levy for that same calendar year.

18 (f) A school corporation may transfer money from its levy excess
 19 fund to its other funds to reimburse those funds for amounts withheld
 20 from the school corporation as a result of refunds paid under
 21 IC 6-1.1-26.

22 (g) Subject to the limitations imposed by this section, a school
 23 corporation may use money in its levy excess fund for any lawful
 24 purpose for which money in any of its other funds may be used.

25 (h) If the amount that would be deposited in the levy excess fund of
 26 a school corporation for a particular calendar year is less than one
 27 hundred dollars (\$100), no money shall be deposited in the levy excess
 28 fund of the school corporation for that year.

29 SECTION 55. IC 6-1.1-19-4.7, AS AMENDED BY P.L.90-2002,
 30 SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 4.7. (a) With respect to every appeal petition
 32 that:

33 (1) is delivered to the tax control board by the department of local
 34 government finance under section 4.1 of this chapter; and

35 (2) includes a request for emergency relief for the purpose of
 36 making up a shortfall that has resulted:

37 (A) whenever:

38 (i) erroneous assessed valuation figures were provided to the
 39 school corporation;

40 (ii) erroneous figures were used to determine the school
 41 corporation's total property tax rate; and

42 (iii) the school corporation's general fund tax levy was reduced
 43 under IC 6-1.1-17-16(d); or

44 (B) ~~whenever the assessed valuation figures that were provided~~
 45 ~~to and used by the school corporation to determine the property~~
 46 ~~tax rate did not accurately reflect because of the payment of~~

**refunds that resulted from appeals filed by property owners
under this article and IC 6-1.5;**

the tax control board shall recommend to the department of local government finance that the school corporation receive emergency financial relief. The relief shall be in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter, or in a combination of the forms of relief specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter.

(b) The tax control board shall, if the tax control board determines that a shortfall exists as described in subsection (a), recommend that a school corporation that appeals for the purpose stated in subsection (a) be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between:

(1) the school corporation's property tax levy for a particular year as finally approved by the department of local government finance; and

(2) the school corporation's actual property tax levy for the particular year.

(c) With respect to each appeal petition that:

(1) is delivered to the tax control board by the department of local government finance under section 4.1 of this chapter;

(2) includes a request for emergency relief for the purpose of making up a shortfall that has resulted because of a delinquent property taxpayer; and

(3) the tax control board finds that the balance in the school corporation's levy excess fund plus the property taxes collected for the school corporation is less than ninety-eight percent (98%) of the school corporation's property tax levy for that year, as finally approved by the department of local government finance;

the tax control board may recommend to the department of local government finance that the school corporation receive emergency financial relief in the form specified in section 4.5(b)(1) through 4.5(b)(7) of this chapter and be permitted to collect an excessive tax levy for a specified calendar year in the amount of the difference between the school corporation's property tax levy for a particular year, as finally approved by the department, and the school corporation's actual property tax collections plus any balance in the school corporation's levy excess fund.

(d) Every recommendation made by the tax control board under this section shall specify the amount of the excessive tax levy. The department of local government finance shall authorize the school board to make an excessive tax levy in accordance with the recommendation without any other proceeding. Whenever the department of local government finance authorizes an excessive tax levy under this subsection, the department shall take appropriate steps to ensure that the proceeds of the excessive tax levy are first used to repay any loan

1 authorized under sections 4.3 through 5.3 of this chapter.

2 SECTION 56. IC 6-1.1-21-5, AS AMENDED BY P.L.1-2003,
3 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 5. (a) Each year the taxpayers of each county
5 shall receive a credit for property tax replacement in the amount of each
6 taxpayer's property tax replacement credit amount for taxes which:

7 (1) under IC 6-1.1-22-9 are due and payable in May and November
8 of that year; **or**

9 (2) **under IC 6-1.1-22-9.5 are due in installments established**
10 **by the department of local government finance for that year.**

11 The credit shall be applied to each installment of taxes. The dollar
12 amount of the credit for each taxpayer shall be determined by the
13 county auditor, based on data furnished by the department of local
14 government finance.

15 (b) The tax liability of a taxpayer for the purpose of computing the
16 credit for a particular year shall be based upon the taxpayer's tax liability
17 as is evidenced by the tax duplicate for the taxes payable in that year,
18 plus the amount by which the tax payable by the taxpayer had been
19 reduced due to the application of county adjusted gross income tax
20 revenues to the extent the county adjusted gross income tax revenues
21 were included in the determination of the total county tax levy for that
22 year, as provided in sections 2(g) and 3 of this chapter, adjusted,
23 however, for any change in assessed valuation which may have been
24 made pursuant to a post-abstract adjustment if the change is set forth
25 on the tax statement or on a corrected tax statement stating the
26 taxpayer's tax liability, as prepared by the county treasurer in
27 accordance with IC 6-1.1-22-8(a). However, except when using the
28 term under section 2(l)(1) of this chapter, the tax liability of a taxpayer
29 does not include the amount of any property tax owed by the taxpayer
30 that is attributable to that part of any property tax levy subtracted under
31 section 2(g)(1)(B), 2(g)(1)(C), 2(g)(1)(D), 2(g)(1)(E), 2(g)(1)(F),
32 2(g)(1)(G), 2(g)(1)(H), 2(g)(1)(I), 2(g)(1)(J), or 2(g)(1)(K) of this
33 chapter in computing the total county tax levy.

34 (c) The credit for taxes payable in a particular year with respect to
35 mobile homes which are assessed under IC 6-1.1-7 is equivalent to the
36 taxpayer's property tax replacement credit amount for the taxes payable
37 with respect to the assessments plus the adjustments stated in this
38 section.

39 (d) Each taxpayer in a taxing district that contains all or part of an
40 economic development district that meets the requirements of section
41 5.5 of this chapter is entitled to an additional credit for property tax
42 replacement. This credit is equal to the product of:

43 (1) the STEP TWO quotient determined under section 4(a)(3) of
44 this chapter for the taxing district; multiplied by

45 (2) the taxpayer's taxes levied in the taxing district that are allocated

1 to a special fund under IC 6-1.1-39-5.

2 SECTION 57. IC 6-1.1-21-9 IS AMENDED TO READ AS
 3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) On or before
 4 October 15 of each year, each county auditor shall, make a settlement
 5 with the department as to the aggregate amount of property tax
 6 replacement credits **and homestead credits** extended to taxpayers in
 7 the auditor's county during the first eight (8) months of that same year.
 8 On or before December 31 of each year, each county auditor shall
 9 make a settlement with the department along with the filing of the
 10 county auditor's December settlement as to:

11 (1) the aggregate amount of property tax replacement credits **and**
 12 **homestead credits** extended to taxpayers in the auditor's county
 13 during the last four (4) months of that same year; **and**

14 (2) **changes in the aggregate amount of distributions to which**
 15 **taxing units in the auditor's county are entitled in any period**
 16 **as a result of the resolution of appeals and other corrections**
 17 **that change the aggregate tax liability due for the period.**

18 ~~If the aggregate credits allowed during either period exceed the property~~
 19 ~~tax replacement funds allocated and distributed to the county treasurer~~
 20 ~~for that same period; as provided in sections 4 and 5 of this chapter;~~
 21 ~~then~~ **If the amount distributed to a county is less than the amount**
 22 **to which the taxing units in the county are entitled,** the department
 23 shall certify the amount of the excess to the auditor of state who shall
 24 issue a warrant, payable from the property tax replacement fund, to the
 25 treasurer of the state ordering the payment of the excess to the county
 26 treasurer. If the distribution exceeds the ~~aggregate credits;~~ **amount to**
 27 **which the taxing units in the county are entitled,** the county
 28 treasurer shall repay to the treasurer of the state the amount of the
 29 excess, which shall be redeposited in the property tax replacement fund.

30 (b) In making the settlement required by subsection (a), the county
 31 auditor shall recognize the fact that any loss of revenue resulting from
 32 the provision of homestead credits in excess of the percentage credit
 33 allowed in IC 6-1.1-20.9-2(d) must be paid from county option income
 34 revenues.

35 (c) Except as otherwise provided in this chapter, the state board of
 36 accounts with the cooperation of the department shall prescribe the
 37 accounting forms, records, and procedures required to carry out the
 38 provisions of this chapter.

39 SECTION 58. IC 6-1.1-22-8 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JANUARY 1, 2004]: Sec. 8. (a) The county
 41 treasurer shall either:

42 (1) mail to the last known address of each person liable for any
 43 property taxes or special assessment, as shown on the tax duplicate
 44 or special assessment records, or to the last known address of the
 45 most recent owner shown in the transfer book a statement of

current and delinquent taxes and special assessments; or
 (2) transmit by written, electronic, or other means to a mortgagee maintaining an escrow account for a person who is liable for any property taxes or special assessments, as shown on the tax duplicate or special assessment records a statement of current and delinquent taxes and special assessments.

(b) The county treasurer may include the following in the statement:

(1) An itemized listing for each property tax levy, including:

(A) the amount of the tax rate;

(B) the entity levying the tax owed; and

(C) the dollar amount of the tax owed.

(2) Information designed to inform the taxpayer or mortgagee clearly and accurately of the manner in which the taxes billed in the tax statement are to be used.

A form used and the method by which the statement and information, if any, are transmitted must be approved by the state board of accounts.

The county treasurer may mail or transmit the statement and information, if any, one (1) time each year at least fifteen (15) days before the date on which the first or only installment is due. Whenever a person's tax liability for a year is due in one (1) installment under IC 6-1.1-7-7 or section 9 of this chapter, a statement that is mailed must include the date on which the installment is due and denote the amount of money to be paid for the installment. Whenever a person's tax liability is due in two (2) installments, a statement that is mailed must contain the dates on which the first and second installments are due and denote the amount of money to be paid for each installment.

(c) All payments of property taxes and special assessments shall be made to the county treasurer. The county treasurer, when authorized by the board of county commissioners, may open temporary offices for the collection of taxes in cities and towns in the county other than the county seat.

(d) This subsection applies if:

(1) the property taxes for a property first due and payable in the current year are based on an assessed valuation that differs from the assessed valuation on which the property taxes for the property first due and payable in the immediately preceding year were based; or

(2) there were no property taxes for the property first due and payable in the immediately preceding year.

The statement sent under subsection (a) must include a notice of assessment or notice of change in assessment in the form prescribed by the department of local government finance. A county treasurer who transmits the statement under subsection (a)(2) shall also mail a copy of the statement and the notice of assessment or change in assessment to the owner in conformity

1 **with subsection (a)(1).**

2 SECTION 59. IC 6-1.1-22-9 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) Except as
4 provided in IC 6-1.1-7-7, **section 9.5 of this chapter**, and subsection
5 (b), the property taxes assessed for a year under this article are due in
6 two (2) equal installments on May 10 and November 10 of the
7 following year.

8 (b) A county council may adopt an ordinance to require a person to
9 pay ~~his~~ **the person's** property tax liability in one (1) installment, if the
10 tax liability for a particular year is less than twenty-five dollars (\$25).
11 If the county council has adopted such an ordinance, then whenever a
12 tax statement mailed under section 8 of this chapter shows that the
13 person's property tax liability for a year is less than twenty-five dollars
14 (\$25) for the property covered by that statement, the tax liability for
15 that year is due in one (1) installment on May 10 of that year.

16 (c) If property taxes are not paid on or before the due date, the
17 penalties prescribed in IC 6-1.1-37-10 shall be added to the delinquent
18 taxes.

19 (d) Notwithstanding any other law, a property tax liability of less than
20 five dollars (\$5) is increased to five dollars (\$5). The difference
21 between the actual liability and the five dollar (\$5) amount that appears
22 on the statement is a statement processing charge. The statement
23 processing charge is considered a part of the tax liability.

24 SECTION 60. IC 6-1.1-22-9.5 IS ADDED TO THE INDIANA
25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]: **Sec. 9.5. (a) This section applies only to**
27 **property taxes first due and payable in a year with respect to real**
28 **property:**

29 **(1) that are the percentage determined by the county**
30 **treasurer of the property taxes first due and payable in the**
31 **most recent preceding year in which taxes were based on**
32 **assessed value determined:**

33 **(A) in a general reassessment of real property under**
34 **IC 6-1.1-4-4; or**

35 **(B) using an annual assessment adjustment under**
36 **IC 6-1.1-4-4.5;**

37 **(2) that are based on assessed value that exceeds the assessed**
38 **value referred to in subdivision (1) only as a result of:**

39 **(A) a general reassessment under IC 6-1.1-4-4; or**

40 **(B) an annual assessment adjustment under IC 6-1.1-4-4.5;**
41 **and not as a result of any other factor that affects the**
42 **assessed value; and**

43 **(3) that are not payable in one (1) installment under section**
44 **9(b) of this chapter.**

The amount of property taxes first due and payable in a year is determined for purposes of this section without consideration of any installment payments allowed under this section that extend into the following year.

(b) At any time before the mailing or transmission of tax statements for a year under section 8 of this chapter, the county treasurer may petition the department of local government finance to establish a schedule of installments with respect to one (1) or more classes of real property for the payment of property taxes that are based on the assessment of the property in the immediately preceding year. The department may not establish a date for:

- (1) an installment payment that is earlier than May 10 of the year in which the tax statement is mailed or transmitted;**
- (2) the first installment payment that is later than November 10 of the year in which the tax statement is mailed or transmitted; or**
- (3) the last installment payment that is later than June 30 of the year immediately following the year in which the tax statement is mailed or transmitted.**

(c) The department of local government finance shall:

- (1) prescribe the form of the petition under subsection (b);**
- (2) determine the information required on the form; and**
- (3) notify the county treasurer of the department's determination on the petition not later than twenty (20) days after receipt of the petition.**

(d) Revenue from property taxes paid under this section in the year immediately following the year in which the tax statement is mailed or transmitted under section 8 of this chapter:

- (1) is not considered in the determination of a levy excess under IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7 for the year in which the property taxes are paid; and**
 - (2) may be:**
 - (A) used to repay temporary loans entered into by the political subdivision for; and**
 - (B) expended for any other reason by a political subdivision in the year the revenue is received under an appropriation from;**
- the year in which the tax statement is mailed or transmitted under section 8 of this chapter.**

SECTION 61. IC 6-1.1-22.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 22.5. Provisional Property Tax Statements

Sec. 1. As used in this chapter, "commissioner" refers to the commissioner of the department of local government finance.

Sec. 2. As used in this chapter, "property taxes" includes special assessments.

Sec. 3. As used in this chapter, "provisional statement" refers to a provisional property tax statement required by section 6 of this chapter.

Sec. 4. As used in this chapter, "reconciling statement" refers to a reconciling property tax statement required by section 11 of this chapter.

Sec. 5. As used in this chapter, "tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits.

Sec. 6. (a) With respect to property taxes payable under this article on assessments determined for the 2003 assessment date or the assessment date in any later year, the county treasurer may, except as provided by section 7 of this chapter, use a provisional statement under this chapter if the county auditor fails to deliver the abstract for that assessment date to the county treasurer under IC 6-1.1-22-5 before March 16 of the year following the assessment date.

(b) The county treasurer shall give notice of the provisional statement, including disclosure of the method that is to be used in determining the tax liability to be indicated on the provisional statement, by publication one (1) time:

- (1)** in the form prescribed by the department of local government finance; and
- (2)** in the manner described in IC 6-1.1-22-4(b).

The notice may be combined with the notice required under section 10 of this chapter.

Sec. 7. (a) The county auditor of a county or fifty (50) property owners in the county may, not more than five (5) days after the publication of the notice required under section 6 of this chapter, request in writing that the department of local government finance waive the use of a provisional statement under this chapter as to that county for a particular assessment date.

(b) Upon receipt of a request under subsection (a), the department of local government finance shall give notice in the manner provided by IC 5-3-1. The notice must state:

- (1)** the date and time of the hearing;
- (2)** the location of the hearing; and
- (3)** that the purpose of the hearing is to hear:

(A) the request of the county treasurer and county auditor to waive the requirements of this chapter; and

(B) taxpayers' comments regarding that request.

(c) After the hearing, the department of local government finance may waive the use of a provisional statement under this chapter for a particular assessment date as to the county making the request if the department finds that the petitioners have presented sufficient evidence to establish that although the abstract required by IC 6-1.1-22-5 was not delivered in a timely manner:

(1) the abstract:

(A) was delivered as of the date of the hearing; or

(B) will be delivered not later than a date specified by the county auditor and county treasurer; and

(2) sufficient time remains or will remain after the date or anticipated date of delivery of the abstract to:

(A) permit the timely preparation and delivery of property tax statements in the manner provided by IC 6-1.1-22; and

(B) render the use of a provisional statement under this chapter unnecessary.

Sec. 8. A provisional statement must:

(1) be on a form approved by the state board of accounts;

(2) except as provided in emergency rules adopted under section 20 of this chapter, indicate tax liability in the amount of ninety percent (90%) of the tax liability that was payable in the same year as the assessment date for the property for which the provisional statement is issued;

(3) indicate:

(A) that the tax liability under the provisional statement is determined as described in subdivision (2); and

(B) that property taxes billed on the provisional statement:

(i) are due and payable in the same manner as property taxes billed on a tax statement under IC 6-1.1-22-8; and

(ii) will be credited against a reconciling statement;

(4) include the following statement:

"Under Indiana law, _____ County (insert county) elected to send provisional statements because the county did not complete the abstract of the property, assessments, taxes, deductions, and exemptions for taxes payable in (insert year) in each taxing district before March 16, (insert year). The statement is due to be paid in installments on May 10 and November 10. The statement is based on ninety percent (90%) of your tax liability for taxes payable in (insert year), subject

to adjustment for any new construction on your property. After the abstract of property is complete, you will receive a reconciling statement in the amount of your actual tax liability for taxes payable in (insert year), minus the amount you pay under this provisional statement.";

(5) indicate liability for:

(A) delinquent:

(i) taxes; and

(ii) special assessments;

(B) penalties; and

(C) interest;

is allowed to appear on the tax statement under IC 6-1.1-22-8 for the May installment of property taxes in the year in which the provisional tax statement is issued; and

(6) include any other information the county treasurer requires.

Sec. 9. Except as provided in section 12 of this chapter, property taxes billed on a provisional statement are due in two (2) equal installments on May 10 and November 10 of the year following the assessment date covered by the provisional statement.

Sec. 10. If a provisional statement is used, the county treasurer shall not give notice of tax rates required under IC 6-1.1-22-4 for the reconciling statement.

Sec. 11. As soon as possible after the receipt of the abstract referred to in section 6 of this chapter, the county treasurer shall:

(1) give the notice required by IC 6-1.1-22-4; and

(2) mail or transmit reconciling statements under section 12 of this chapter.

Sec. 12. (a) Except as provided by subsection (c), each reconciling statement must indicate:

(1) the actual property tax liability under this article on the assessment determined for the assessment date for the property for which the reconciling statement is issued;

(2) the total amount paid under the provisional statement for the property for which the reconciling statement is issued;

(3) if the amount under subdivision (1) exceeds the amount under subdivision (2), that the excess is payable by the taxpayer:

(A) as a final reconciliation of the tax liability; and

(B) not later than:

(i) thirty (30) days after the date of the reconciling statement; or

(ii) if the county treasurer requests in writing that the

1 commissioner designate a later date, the date designated
2 by the commissioner; and

3 (4) if the amount under subdivision (2) exceeds the amount
4 under subdivision (1), that the taxpayer may claim a refund of
5 the excess under IC 6-1.1-26.

6 (b) If, upon receipt of the abstract referred to in section 6 of this
7 chapter, the county treasurer determines that it is possible to
8 complete the:

9 (1) preparation; and

10 (2) mailing or transmittal;

11 of the reconciling statement at least thirty (30) days before the
12 due date of the November installment specified in the provisional
13 statement, the county treasurer may request in writing that the
14 department of local government finance permit the county
15 treasurer to issue a reconciling statement that adjusts the amount
16 of the November installment that was specified in the provisional
17 statement. If the department approves the county treasurer's
18 request, the county treasurer shall prepare and mail or transmit
19 the reconciling statement at least thirty (30) days before the due
20 date of the November installment specified in the provisional
21 statement.

22 (c) A reconciling statement prepared under subsection (b) must
23 indicate:

24 (1) the actual property tax liability under this article on the
25 assessment determined for the assessment date for the
26 property for which the reconciling statement is issued;

27 (2) the total amount of the May installment paid under the
28 provisional statement for the property for which the
29 reconciling statement is issued;

30 (3) if the amount under subdivision (1) exceeds the amount
31 under subdivision (2), the adjusted amount of the November
32 installment that is payable by the taxpayer:

33 (A) as a final reconciliation of the tax liability; and

34 (B) not later than:

35 (i) November 10; or

36 (ii) if the county treasurer requests in writing that the
37 commissioner designate a later date, the date designated
38 by the commissioner; and

39 (4) if the amount under subdivision (2) exceeds the amount
40 under subdivision (1), that the taxpayer may claim a refund of
41 the excess under IC 6-1.1-26.

42 **Sec. 13. Taxpayers shall make all payments under this chapter**
43 **to the county treasurer. The board of county commissioners may**

1 authorize the county treasurer to open temporary offices to
 2 receive payments under this chapter in municipalities in the
 3 county other than the county seat.

4 Sec. 14. Not later than sixty (60) days after the due date of a
 5 provisional or reconciling statement under this chapter, the
 6 county auditor shall:

- 7 (1) file with the auditor of state a report of settlement; and
- 8 (2) distribute tax collections to the appropriate taxing units.

9 Sec. 15. If a county auditor fails to make a distribution of tax
 10 collections under section 14 of this chapter, a taxing unit that was
 11 to receive a distribution may recover interest on the undistributed
 12 tax collections at the same rate and in the same manner that
 13 interest may be recovered under IC 6-1.1-27-1(b).

14 Sec. 16. IC 6-1.1-15:

- 15 (1) does not apply to a provisional statement; and
- 16 (2) applies to a reconciling statement.

17 Sec. 17. IC 6-1.1-37-10 applies to:

- 18 (1) a provisional statement; and
- 19 (2) a reconciling statement;

20 in the same manner that IC 6-1.1-37-10 applies to an installment
 21 of property taxes.

22 Sec. 18. For purposes of IC 6-1.1-24-1(a)(1):

- 23 (1) the May installment on a provisional statement is
 24 considered to be the taxpayer's spring installment of property
 25 taxes;
- 26 (2) except as provided in subdivision (3), payment on a
 27 reconciling statement is considered to be due before the due
 28 date of the May installment of property taxes payable in the
 29 following year; and
- 30 (3) payment on a reconciling statement described in section
 31 12(b) of this chapter is considered to be the taxpayer's fall
 32 installment of property taxes.

33 Sec. 19. The other provisions of this article supplement the
 34 provisions of this chapter concerning the collection of property
 35 taxes.

36 Sec. 20. For purposes of a provisional statement under this
 37 chapter, the department of local government finance may adopt
 38 emergency rules under IC 4-22-2-37.1 to provide a methodology
 39 for a county treasurer to issue provisional statements with respect
 40 to real property, taking into account new construction of
 41 improvements placed on the real property, damage, and other
 42 losses related to the real property:

- 43 (1) after March 1 of the year preceding the assessment date

1 **to which the provisional statement applies; and**

2 **(2) before the assessment date to which the provisional**
 3 **statement applies.**

4 SECTION 62. IC 6-1.1-31-3, AS AMENDED BY P.L.90-2002,
 5 SECTION 219, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 UPON PASSAGE]: Sec. 3. In the preparation of rules, regulations,
 7 property tax forms, and property tax returns, the department of local
 8 government finance may consider:

- 9 (1) data compiled by the federal government;
- 10 (2) data compiled by this state and its taxing authorities;
- 11 (3) data compiled and studies made by a state college or university;
- 12 (4) generally accepted practices of appraisers, including generally
- 13 accepted property assessment valuation and mass appraisal
- 14 principles and practices;
- 15 (5) generally accepted indices of construction costs;
- 16 (6) for assessment dates after February 28, 2001, generally
- 17 accepted indices of income accruing from real property;
- 18 **(7) sales data compiled for generally comparable properties;**
- 19 and
- 20 ~~(7)~~ **(8)** any other information which is available to the department
- 21 of local government finance.

22 SECTION 63. IC 6-1.1-31-5, AS AMENDED BY P.L.90-2002,
 23 SECTION 221, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 UPON PASSAGE]: Sec. 5. (a) **Subject to this article**, the rules
 25 ~~promulgated~~ **adopted** by the department of local government finance
 26 are the basis for determining the true tax value of tangible property.

27 (b) Local assessing officials, members of the county property tax
 28 assessment board of appeals, and county assessors shall:

- 29 (1) comply with the rules, appraisal manuals, bulletins, and
- 30 directives adopted by the department of local government finance;
- 31 (2) use the property tax forms, property tax returns, and notice
- 32 forms prescribed by the department; and
- 33 (3) collect and record the data required by the department.

34 (c) In assessing tangible property, the township assessors, members
 35 of the county property tax assessment board of appeals, and county
 36 assessors may consider factors in addition to those prescribed by the
 37 department of local government finance if the use of the additional
 38 factors is first approved by the department. Each township assessor, of
 39 the county property tax assessment board of appeals, and the county
 40 assessor shall indicate on his records for each individual assessment
 41 whether:

- 42 (1) only the factors contained in the department's rules, forms, and
- 43 returns have been considered; or
- 44 (2) factors in addition to those contained in the department's rules,
- 45 forms, and returns have been considered.

SECTION 64. IC 6-1.1-31-6, AS AMENDED BY P.L.90-2002, SECTION 222, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) With respect to the assessment of real property, the rules of the department of local government finance shall provide for:

(1) the classification of land on the basis of:

- ~~(i)~~ (A) acreage;
- ~~(ii)~~ (B) lots;
- ~~(iii)~~ (C) size;
- ~~(iv)~~ (D) location;
- ~~(v)~~ (E) use;
- ~~(vi)~~ (F) productivity or earning capacity;
- ~~(vii)~~ (G) applicable zoning provisions;
- ~~(viii)~~ (H) accessibility to highways, sewers, and other public services or facilities; and
- ~~(ix)~~ (I) any other factor that the department determines by rule is just and proper; and

(2) the classification of improvements on the basis of:

- ~~(i)~~ (A) size;
- ~~(ii)~~ (B) location;
- ~~(iii)~~ (C) use;
- ~~(iv)~~ (D) type and character of construction;
- ~~(v)~~ (E) age;
- ~~(vi)~~ (F) condition;
- ~~(vii)~~ (G) cost of reproduction; and
- ~~(viii)~~ (H) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of real property;
- (2) the size of real property;
- (3) the effects that location and use have on the value of real property;
- (4) the depreciation, including physical deterioration and obsolescence, of real property;
- (5) the cost of reproducing improvements;
- (6) the productivity or earning capacity of:
 - (A) agricultural land; and
 - (B) real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
- (7) sales data for generally comparable properties; and
- ~~(7)~~ (8) the true tax value of real property based on the factors listed

in this subsection and any other factor that the department determines by rule is just and proper.

(c) With respect to the assessment of real property, true tax value does not mean fair market value. **Subject to this article**, true tax value is the value determined under the rules of the department of local government finance.

SECTION 65. IC 6-1.1-31-7, AS AMENDED BY P.L.90-2002, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property;
- (5) **the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;**
- (6) **sales data for generally comparable mobile homes;** and
- (7) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. **Subject to this article**, true tax value is the value determined under rules of the department of local government finance.

SECTION 66. IC 6-1.1-35-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1.1. (a) Each county assessor and each elected assessor ~~must be a certified~~ **who has not**

1 **attained the certification of a "level two" assessor-appraiser under**
 2 **IC 6-1.1-35.5 ~~or must~~ employ at least one (1) certified "level two"**
 3 **assessor-appraiser. ~~Each~~**

4 **(b) To qualify to serve as an elected county assessor, a township**
 5 **assessor, or an elected trustee-assessor ~~is expected to attain the~~**
 6 **~~certification of~~ after December 31, 2005, the assessing official must**
 7 **be certified as a "level one" assessor-appraiser or a "level two"**
 8 **assessor-appraiser.**

9 **(c) To continue to serve as an elected county assessor, a**
 10 **township assessor, or an elected trustee-assessor after the later**
 11 **of:**

12 **(1) December 31, 2006; or**

13 **(2) a date that is one (1) year after the person begins to serve**
 14 **the person's initial term in any office as an elected assessing**
 15 **official;**

16 **the assessing official must be certified as a "level two"**
 17 **assessor-appraiser. An assessing official who does not comply with**
 18 **this subsection forfeits the assessor's or trustee-assessor's office.**

19 **(d) A person who fills a vacancy in the office of county assessor,**
 20 **township assessor, or trustee-assessor is subject to the**
 21 **requirements of this section.**

22 **SECTION 67. IC 6-1.1-37-9, AS AMENDED BY P.L.198-2001,**
 23 **SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 24 **UPON PASSAGE]: Sec. 9. (a) This section applies when:**

25 **(1) an assessment is made or increased after the date or dates on**
 26 **which the taxes for the year for which the assessment is made**
 27 **were originally due;**

28 **(2) the assessment upon which a taxpayer has been paying taxes**
 29 **under IC 6-1.1-15-10(a)(1) or (a)(2) while a petition for review or**
 30 **a judicial proceeding has been pending is less than the assessment**
 31 **that results from the final determination of the petition for review**
 32 **or judicial proceeding; or**

33 **(3) the collection of certain ad valorem property taxes has been**
 34 **stayed under IC 4-21.5-5-9, and under the final determination of**
 35 **the petition for judicial review the taxpayer is liable for at least part**
 36 **of those taxes.**

37 **(b) Except as provided in subsections (c) and (g), a taxpayer shall**
 38 **pay interest on the taxes the taxpayer is required to pay as a result of an**
 39 **action or a determination described in subsection (a) at the rate of ten**
 40 **percent (10%) per year from the original due date or dates for those**
 41 **taxes to:**

42 **(1) the date of payment; or**

43 **(2) the date on which penalties for the late payment of a tax**
 44 **installment may be charged under subsection (e) or (f);**

1 whichever occurs first.

2 (c) Except as provided in subsection (g), a taxpayer shall pay interest
3 on the taxes the taxpayer is ultimately required to pay in excess of the
4 amount that the taxpayer is required to pay under IC 6-1.1-15-10(a)(1)
5 while a petition for review or a judicial proceeding has been pending at
6 the overpayment rate established under Section 6621(c)(1) of the
7 Internal Revenue Code in effect on the original due date or dates for
8 those taxes from the original due date or dates for those taxes to:

9 (1) the date of payment; or

10 (2) the date on which penalties for the late payment of a tax
11 installment may be charged under subsection (e) or (f);

12 whichever occurs first.

13 (d) With respect to an action or determination described in subsection
14 (a), the taxpayer shall pay the taxes resulting from that action or
15 determination and the interest prescribed under subsection (b) or (c) on
16 or before:

17 (1) the next May 10; or

18 (2) the next November 10;

19 whichever occurs first.

20 (e) A taxpayer shall, **to the extent that the penalty is not waived**
21 **under section 10.5 of this chapter**, begin paying the penalty
22 prescribed in section 10 of this chapter on the day after the date for
23 payment prescribed in subsection (d) if:

24 (1) the taxpayer has not paid the amount of taxes resulting from the
25 action or determination; and

26 (2) the taxpayer either:

27 (A) received notice of the taxes the taxpayer is required to pay as
28 a result of the action or determination at least thirty (30) days
29 before the date for payment; or

30 (B) voluntarily signed and filed an assessment return for the
31 taxes.

32 (f) If subsection (e) does not apply, a taxpayer who has not paid the
33 amount of taxes resulting from the action or determination shall, **to the**
34 **extent that the penalty is not waived under section 10.5 of this**
35 **chapter**, begin paying the penalty prescribed in section 10 of this
36 chapter on:

37 (1) the next May 10 which follows the date for payment prescribed
38 in subsection (d); or

39 (2) the next November 10 which follows the date for payment
40 prescribed in subsection (d);

41 whichever occurs first.

42 (g) A taxpayer is not subject to the payment of interest on real
43 property assessments under subsection (b) or (c) if:

44 (1) an assessment is made or increased after the date or dates on
45 which the taxes for the year for which the assessment is made

1 were due;

2 (2) the assessment or the assessment increase is made as the result
3 of error or neglect by the assessor or by any other official involved
4 with the assessment of property or the collection of property taxes;
5 and

6 (3) the assessment:

7 (A) would have been made on the normal assessment date if the
8 error or neglect had not occurred; or

9 (B) increase would have been included in the assessment on the
10 normal annual assessment date if the error or neglect had not
11 occurred.

12 SECTION 68. IC 6-1.1-37-10, AS AMENDED BY P.L.90-2002,
13 SECTION 262, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 UPON PASSAGE]: Sec. 10. (a) **Except as provided in section 10.5 of**
15 **this chapter**, if an installment of property taxes is not completely paid
16 on or before the due date, a penalty equal to ten percent (10%) of the
17 amount of delinquent taxes shall be added to the unpaid portion in the
18 year of the initial delinquency.

19 **(b) With respect to property taxes due in two (2) equal**
20 **installments under IC 6-1.1-22-9(a)**, on the day immediately
21 following the due dates in May and November of each year following
22 the year of the initial delinquency, an additional penalty equal to ten
23 percent (10%) of any taxes remaining unpaid shall be added. **With**
24 **respect to property taxes due in installments under**
25 **IC 6-1.1-22-9.5, an additional penalty equal to ten percent (10%)**
26 **of any taxes remaining unpaid shall be added on the day**
27 **immediately following each date that succeeds the last installment**
28 **due date by:**

29 **(1) six (6) months; or**

30 **(2) a multiple of six (6) months.**

31 **(c) ~~These~~ The penalties under subsection (b)** are imposed only on
32 the principal amount of the delinquent taxes. ~~However,~~

33 **(d)** If the department of local government finance determines that an
34 emergency has occurred which precludes the mailing of the tax
35 statement in any county at the time set forth in IC 6-1.1-22-8, the
36 department shall establish by order a new date on which the installment
37 of taxes in that county is due and no installment is delinquent if paid by
38 the date so established.

39 ~~(b)~~ **(e)** If any due date falls on a Saturday, a Sunday, a national legal
40 holiday recognized by the federal government, or a statewide holiday,
41 the act that must be performed by that date is timely if performed by
42 the next succeeding day that is not a Saturday, a Sunday, or one (1) of
43 those holidays.

44 ~~(c)~~ **(f)** A payment to the county treasurer is considered to have been
45 paid by the due date if the payment is:

(1) received on or before the due date to the county treasurer or a collecting agent appointed by the county treasurer;

(2) deposited in the United States mail:

(A) properly addressed to the principal office of the county treasurer;

(B) with sufficient postage; and

(C) certified or postmarked by the United States Postal Service as mailed on or before the due date; or

(3) deposited with a nationally recognized express parcel carrier and is:

(A) properly addressed to the principal office of the county treasurer; and

(B) verified by the express parcel carrier as:

(i) paid in full for final delivery; and

(ii) received on or before the due date.

For purposes of this subsection, "postmarked" does not mean the date printed by a postage meter that affixes postage to the envelope or package containing a payment.

SECTION 69. IC 6-1.1-37-10.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10.5. (a) This section applies only to property taxes first due and payable in a year with respect to real property:**

(1) that are the percentage determined by the county treasurer of the property taxes first due and payable in the last preceding year in which taxes were based on assessed value determined:

(A) in a general reassessment of real property under IC 6-1.1-4-4; or

(B) using an annual assessment adjustment under IC 6-1.1-4-4.5; and

(2) for which the property tax increase referred to in subdivision (1) is attributable only to:

(A) a general reassessment under IC 6-1.1-4-4; or

(B) an annual assessment adjustment under IC 6-1.1-4-4.5;

and not to any other factor that affects the assessed value.

(b) The county treasurer may petition the department of local government finance to waive all or part of the penalty imposed under section 10 of this chapter with respect to one (1) or more classes of real property.

(c) The department of local government finance shall:

(1) prescribe the form of the petition under subsection (b);

(2) determine the information required on the form; and

(3) notify the county treasurer of the department's

determination on the petition not later than thirty (30) days after receipt of the petition.

SECTION 70. IC 6-1.1-39-6, AS AMENDED BY P.L.192-2002(ss), SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) An economic development district may be enlarged by the fiscal body by following the same procedure for the creation of an economic development district specified in this chapter. Property taxes that are attributable to the additional area and allocable to the economic development district are not eligible for the property tax replacement credit provided by IC 6-1.1-21-5. However, subject to subsection (c) **and except as provided in subsection (f)**, each taxpayer in an additional area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (f)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district in a county that contains all or part of the additional area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of the county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to a special fund under section 5 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the economic development district and paid into a special fund under section 5(a) of this chapter.

(b) If the additional credit under subsection (a) is not reduced under subsection (c) or (d), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an additional area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (a) shall be combined on the tax statements sent to each taxpayer.

(c) The county fiscal body may, by ordinance, provide that the additional credit described in subsection (a):

1 (1) does not apply in a specified additional area; or

2 (2) is to be reduced by a uniform percentage for all taxpayers in a
3 specified additional area.

4 (d) Whenever the county fiscal body determines that granting the full
5 additional credit under subsection (a) would adversely affect the
6 interests of the holders of bonds or other contractual obligations that are
7 payable from allocated tax proceeds in that economic development
8 district in a way that would create a reasonable expectation that those
9 bonds or other contractual obligations would not be paid when due, the
10 county fiscal body must adopt an ordinance under subsection (c) to
11 deny the additional credit or reduce the additional credit to a level that
12 creates a reasonable expectation that the bonds or other obligations will
13 be paid when due. An ordinance adopted under subsection (c) denies or
14 reduces the additional credit for taxes (as defined in IC 6-1.1-21-2) first
15 due and payable in any year following the year in which the ordinance
16 is adopted.

17 (e) An ordinance adopted under subsection (c) remains in effect until
18 the ordinance is rescinded by the body that originally adopted the
19 ordinance. However, an ordinance may not be rescinded if the
20 rescission would adversely affect the interests of the holders of bonds
21 or other obligations that are payable from allocated tax proceeds in that
22 economic development district in a way that would create a reasonable
23 expectation that the principal of or interest on the bonds or other
24 obligations would not be paid when due. If an ordinance is rescinded
25 and no other ordinance is adopted, the additional credit described in
26 subsection (a) applies to taxes (as defined in IC 6-1.1-21-2) first due
27 and payable in each year following the year in which the resolution is
28 rescinded.

29 **(f) This subsection applies to an additional area only to the**
30 **extent that the net assessed value of property is not included in**
31 **the base assessed value. If property tax installments are due in**
32 **installments established by the department of local government**
33 **finance under IC 6-1.1-22-9.5, each taxpayer subject to those**
34 **installments in an additional area is entitled to an additional credit**
35 **under subsection (a) for the taxes (as defined in IC 6-1.1-21-2)**
36 **due in installments. The credit shall be applied in the same**
37 **proportion to each installment of taxes (as defined in**
38 **IC 6-1.1-21-2).**

39 SECTION 71. IC 6-1.1-42-27, AS AMENDED BY P.L.90-2002,
40 SECTION 284, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JANUARY 1, 2004]: Sec. 27. (a) A property owner who desires to
42 obtain the deduction provided by section 24 of this chapter must file a
43 certified deduction application, on forms prescribed by the department
44 of local government finance, with the auditor of the county in which the
45 property is located. Except as otherwise provided in subsection ~~(b)~~ or

~~(c)~~; (d), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

~~(b)~~ If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty ~~(30)~~ days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

~~(c)~~ (b) The certified deduction application required by this section must contain the following information:

- (1) The name of each owner of the property.
- (2) A certificate of completion of a voluntary remediation under IC 13-25-5-16.
- (3) Proof that each owner who is applying for the deduction:
 - (A) has never had an ownership interest in an entity that contributed; and
 - (B) has not contributed;
 a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management.
- (4) Proof that the deduction was approved by the appropriate designating body.
- (5) A description of the property for which a deduction is claimed in sufficient detail to afford identification.
- (6) The assessed value of the improvements before remediation and redevelopment.
- (7) The ~~increase in the~~ assessed value of improvements ~~resulting from after the~~ remediation and redevelopment, **or an estimate of the assessed value if the assessed value is not known at the time of filing the deduction application.**
- (8) The amount of the deduction claimed for the first year of the deduction **or an estimate of the deduction if the assessed value is not known at the time of filing the deduction application.**

~~(d)~~ (c) A certified deduction application filed under subsection (a) ~~or~~ ~~(b)~~ is applicable for the year in which the addition to assessed value or assessment of property is made and each subsequent year to which the deduction applies under the resolution adopted under section 24 of this chapter.

~~(c)~~ (d) A property owner who desires to obtain the deduction provided by section 24 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which is applicable for the year filed and the subsequent years without any additional certified deduction application

being filed for the amounts of the deduction which would be applicable to such years under this chapter if such a deduction application had been filed in accordance with ~~subsection (a) or (b):~~ **this section.**

~~(f)~~ **(e)** On verification of the correctness of a certified deduction application by the assessor of the township in which the property is located, the county auditor shall, if the property is covered by a resolution adopted under section 24 of this chapter, make the appropriate deduction.

~~(g)~~ **(f)** The amount and period of the deduction provided for property by section 24 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) is a person that:

(A) has never had an ownership interest in an entity that contributed; and

(B) has not contributed;

a contaminant (as defined in IC 13-11-2-42) that is the subject of the voluntary remediation, as determined under the written standards adopted by the department of environmental management;

(2) continues to use the property in compliance with any standards established under sections 7 and 23 of this chapter; and

(3) files an application in the manner provided by subsection ~~(e)~~:

(d).

~~(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.~~

SECTION 72. IC 8-22-3.5-10, AS AMENDED BY P.L.192-2002(ss), SECTION 147, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) Except in a county described in section 1(5) of this chapter **and except as provided in subsection (d)**, if the commission adopts the provisions of this section by resolution, each taxpayer in the airport development zone is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. **Except as provided in subsection (d)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the airport development zone:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the county's eligible property tax replacement

amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by (B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to the special funds under section 9 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated and paid into the special funds under section 9 of this chapter.

(b) The additional credit under subsection (a) shall be:

(1) computed on an aggregate basis of all taxpayers in a taxing district that contains all or part of an airport development zone; and

(2) combined on the tax statement sent to each taxpayer.

(c) Concurrently with the mailing or other delivery of the tax statement or any corrected tax statement to each taxpayer, as required by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement also deliver to each taxpayer in an airport development zone who is entitled to the additional credit under subsection (a) a notice of additional credit. The actual dollar amount of the credit, the taxpayer's name and address, and the tax statement to which the credit applies shall be stated on the notice.

(d) This subsection applies to an airport development zone only to the extent that the net assessed value of property is not included in the base assessed value. If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an airport development zone is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 73. IC 12-13-8-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. For taxes first due and payable in each year after ~~1990~~, **2003**, each county shall impose a medical assistance property tax levy equal to the product of:

(1) the medical assistance property tax levy imposed for taxes first due and payable in the preceding year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by**

(2) the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

SECTION 74. IC 12-19-7-4, AS AMENDED BY P.L.90-2002, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) For taxes first due and payable in 1995, each county must impose a county family and children property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money); as determined by the state board of accounts; in 1991, 1992, and 1993 for the following:

(A) Payments for administrative expenses of the county office of family and children in administering the provision of child services.

(B) Payments for the services described in section 1 of this chapter that were made on behalf of the children described in section 1 of this chapter and for which payment was made from the county welfare fund.

(C) Payment for the facilities, supplies, and equipment needed for the provision of child services as operated by the county office of family and children.

(D) Payment of all other expenses incurred in providing child services that were paid by the county office of family and children.

STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to:

(A) the county welfare administration fund and used to pay expenses for administration, facilities, supplies, and equipment for the provision of child services in 1991, 1992, and 1993; and

(B) the county welfare fund, the county general fund, or the county welfare loan fund (whichever of the funds applies) and used to pay the costs of providing child services in 1991, 1992, and 1993.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 1993 expenses only.

STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the department of local government finance under subsection (c).

STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1995; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1995. STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 1995, as determined under IC 6-1.1-18.5-2.

~~(b)~~ (a) For taxes first due and payable in each year after 1995, 2003, each county shall impose a county family and children property tax levy equal to the product of:

(1) the county family and children property tax levy imposed for taxes first due and payable in the preceding year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year;** multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. **If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

~~(c)~~ For taxes first due and payable in 1995 and in 1996, the department of local government finance shall adjust the levy for each county to reflect the county's actual child services expenses incurred in providing child services in 1991, 1992, and 1993. In making this adjustment, the department of local government finance may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.

~~(d)~~ (b) The department of local government finance shall review each

1 county's property tax levy under this section and shall enforce the
2 requirements of this section with respect to that levy.

3 SECTION 75. IC 12-19-7.5-6, AS ADDED BY P.L.224-2003,
4 SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 UPON PASSAGE]: Sec. 6. (a) For taxes first due and payable in 2004,
6 each county must impose a county children's psychiatric residential
7 services property tax levy equal to the amount determined using the
8 following formula:

9 STEP ONE: Determine the sum of the amounts that were paid by
10 the county minus the amounts reimbursed by the state (including
11 reimbursements made with federal money), as determined by the
12 state board of accounts in 2000, 2001, and 2002 for payments to
13 facilities licensed under 470 IAC 3-13 for services that were made
14 on behalf of the children and for which payment was made from
15 the county family and children fund, or five percent (5%) of the
16 average family and children budget, as determined by the
17 department of local government finance in 2000, 2001, and 2002,
18 whichever is greater.

19 STEP TWO: Subtract from the amount determined in STEP ONE
20 the sum of the miscellaneous taxes that were allocated to the
21 county family and children fund and used to pay the costs for
22 providing services in facilities licensed under 470 IAC 3-13 in 2000,
23 2001, and 2002.

24 STEP THREE: Divide the amount determined in STEP TWO by
25 three (3).

26 STEP FOUR: Calculate the STEP ONE amount and the STEP TWO
27 amount for 2002 expenses only.

28 STEP FIVE: Adjust the amounts determined in STEP THREE and
29 STEP FOUR by the amount determined by the department of local
30 government finance under subsection (c).

31 STEP SIX: Determine whether the amount calculated in STEP
32 THREE, as adjusted in STEP FIVE, or the amount calculated in
33 STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the
34 greater amount by the assessed value growth quotient determined
35 under IC 6-1.1-18.5-2 for the county for property taxes first due
36 and payable in 2003.

37 STEP SEVEN: Multiply the amount determined in STEP SIX by the
38 county's assessed value growth quotient for property taxes first
39 due and payable in 2004, as determined under IC 6-1.1-18.5-2.

40 (b) For taxes first due and payable in each year after 2004, each
41 county shall impose a county children's psychiatric residential treatment
42 services property tax levy equal to the product of:

43 (1) the county children's psychiatric residential treatment services
44 property tax levy imposed for taxes first due and payable in the
45 preceding year, **as that levy was determined by the department**
46 **of local government finance in fixing the civil taxing unit's**

budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. **If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.**

(c) For taxes first due and payable in 2004, the department of local government finance shall adjust the levy for each county to reflect the county's actual expenses incurred in providing services to children in facilities licensed under 470 IAC 3-13 in 2000, 2001, and 2002. In making this adjustment, the department of local government finance may consider all relevant information, including the county's use of bond and loan proceeds to pay these expenses.

(d) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 76. IC 12-29-2-2, AS AMENDED BY P.L.170-2002, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Subject to ~~subsection~~ **subsections (b), (c), and (d)**, a county shall fund the operation of community mental health centers in an amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, unless a lower tax rate will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

(1) If the total population of the county is served by one (1) center.

(2) If the total population of the county is served by more than one (1) center.

(3) If the partial population of the county is served by one (1) center.

(4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in

a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after ~~calendar year~~ 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which **an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5** or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the **annual adjustment or** general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (**0.01%**)) in the assessed value **(before the adjustment, if any, under IC 6-1.1-4-4.5)** of the taxable property from the year preceding the year the **annual adjustment or** general reassessment takes effect to the year that the **annual adjustment or** general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (**0.01%**)) in the assessed value **(before the adjustment, if any, under IC 6-1.1-4-4.5)** of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which **an annual adjustment under IC 6-1.1-4-4.5** or a general reassessment of property will take effect.

(c) With respect to a county to which subsection (b) does not apply, the maximum tax rate permitted under subsection (a) for taxes first due and payable after 2003 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the

1 county for taxes first due and payable in 2003.

2 (d) This subsection applies only to a county to which subsection
3 (b) does not apply. The tax rate permitted under subsection (a) for
4 taxes first due and payable after calendar year 2004 is the tax rate
5 permitted under subsection (c) as adjusted under this subsection.
6 For each year in which an annual adjustment of the assessed
7 value of real property will take effect under IC 6-1.1-4-4.5 or a
8 general reassessment of property will take effect, the department
9 of local government finance shall compute the maximum rate
10 permitted under subsection (a) as follows:

11 STEP ONE: Determine the maximum rate for the year
12 preceding the year in which the annual adjustment or general
13 reassessment takes effect.

14 STEP TWO: Determine the actual percentage increase
15 (rounded to the nearest one-hundredth percent (0.01%)) in
16 the assessed value (before the adjustment, if any, under
17 IC 6-1.1-4-4.5) of the taxable property from the year
18 preceding the year the annual adjustment or general
19 reassessment takes effect to the year that the annual
20 adjustment or general reassessment is effective.

21 STEP THREE: Determine the three (3) calendar years that
22 immediately precede the ensuing calendar year and in which
23 a statewide general reassessment of real property does not
24 first become effective.

25 STEP FOUR: Compute separately, for each of the calendar
26 years determined under STEP THREE, the actual percentage
27 increase (rounded to the nearest one-hundredth percent
28 (0.01%)) in the assessed value (before the adjustment, if any,
29 under IC 6-1.1-4-4.5) of the taxable property from the
30 preceding year.

31 STEP FIVE: Divide the sum of the three (3) quotients
32 computed under STEP FOUR by three (3).

33 STEP SIX: Determine the greater of the following:

34 (A) Zero (0).

35 (B) The result of the STEP TWO percentage minus the STEP
36 FIVE percentage.

37 STEP SEVEN: Determine the quotient of:

38 (A) the STEP ONE tax rate; divided by

39 (B) one (1) plus the STEP SIX percentage increase.

40 This maximum rate is the maximum rate under this section until
41 a new maximum rate is computed under this subsection for the
42 next year in which an annual adjustment under IC 6-1.1-4-4.5 or
43 a general reassessment of property will take effect.

SECTION 77. IC 12-29-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The maximum appropriation determined under section 3 or 4 of this chapter represents the county's absolute proportional share of each center's total operating budget.

(b) If the proportional share is less than the ~~four cent (\$0.04) requirement in amount of property taxes raised under the tax rate required under~~ section 2 of this chapter, the county shall appropriate only the maximum appropriation amount.

(c) If the proportional share is more than the ~~four cent (\$0.04) requirement in amount of property taxes raised under the tax rate required under~~ section 2 of this chapter, the county:

(1) shall ~~satisfy the four cent (\$0.04) equivalent appropriation appropriate that amount;~~ and

(2) may appropriate an ~~additional amount in excess of the four cent (\$0.04) equivalent appropriation up to an amount added to the four cent (\$0.04) equivalent appropriation that would equal a ten cent (\$0.10) equivalent appropriation; the amount of property taxes raised by a tax rate of three and one-third cents (\$0.03 1/3).~~

SECTION 78. IC 16-35-3-3, AS AMENDED BY P.L.90-2002, SECTION 401, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) ~~For taxes first due and payable in 1992, each county must impose a children with special health care needs property tax levy equal to the amount determined using the following formula:~~

~~STEP ONE: Determine the sum of the amounts that were paid by the county minus the amounts reimbursed by the state (including reimbursements made with federal money); as determined by the state board of accounts, in 1988, 1989, and 1990 for the following:~~

~~(A) Payments for administrative expenses of the county office of family and children in the administration of the children with special health care needs program;~~

~~(B) Payment for the facilities, supplies, and equipment needed for the children with special health care needs program as operated by the county office of family and children;~~

~~(C) Payment of all other expenses under the children with special health care needs program that were paid by the county office of family and children;~~

~~STEP TWO: Subtract from the amount determined in STEP ONE the sum of the miscellaneous taxes that were allocated to:~~

~~(A) the county welfare administration fund and used to pay expenses for administration, facilities, supplies, and equipment for the children with special health care needs program in 1988, 1989, and 1990; and~~

~~(B) the county welfare fund and used to pay all other costs of the children with special health care needs program in 1988, 1989, and 1990.~~

~~STEP THREE: Divide the amount determined in STEP TWO by three (3).~~

~~STEP FOUR: Calculate the STEP ONE amount and the STEP TWO amount for 1990 expenses only.~~

~~STEP FIVE: Adjust the amounts determined in STEP THREE and STEP FOUR by the amount determined by the state board of tax commissioners under subsection (c).~~

~~STEP SIX: Determine whether the amount calculated in STEP THREE, as adjusted in STEP FIVE, or the amount calculated in STEP FOUR, as adjusted in STEP FIVE, is greater. Multiply the greater amount by the greater of:~~

~~(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1992; or~~

~~(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1992.~~

~~STEP SEVEN: Multiply the amount determined in STEP SIX by the county's assessed value growth quotient for property taxes first due and payable in 1992, as determined under IC 6-1.1-18.5-2.~~

~~(b)~~ **(a)** For taxes first due and payable in each year after ~~1992~~, **2003**, each county shall impose a children with special health care needs property tax levy equal to the product of:

(1) the children with special health care needs property tax levy imposed for taxes first due and payable in the preceding year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year;** multiplied by

(2) the greater of:

(A) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2; or

(B) one (1).

When a year in which a statewide general reassessment of real property first becomes effective is the year preceding the year that the property tax levy under this subsection will be first due and payable, the amount to be used in subdivision (2) equals the average of the amounts used in determining the two (2) most recent adjustments in the county's levy under this section. **If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund,**

1 the levy in the following year shall be reduced by the amount of
2 surplus money.

3 ~~(c) For taxes first due and payable in 1992 and in 1993, the state~~
4 ~~board of tax commissioners shall adjust the levy for each county to~~
5 ~~reflect the county's actual welfare expenses for administration, facilities,~~
6 ~~supplies, equipment, and all other costs for the children with special~~
7 ~~health care needs program in 1988, 1989, and 1990. In making this~~
8 ~~adjustment, the state board of tax commissioners may consider all~~
9 ~~relevant information. This includes the county's use of bond and loan~~
10 ~~proceeds to pay these expenses.~~

11 ~~(d)~~ (b) The department of local government finance shall review each
12 county's property tax levy under this section and shall enforce the
13 requirements of this section with respect to that levy.

14 SECTION 79. IC 20-5.5-7-3, AS AMENDED BY P.L.276-2003,
15 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 UPON PASSAGE]: Sec. 3. (a) Not later than the date established by the
17 department for determining average daily membership under
18 IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the
19 department the following information on a form prescribed by the
20 department:

- 21 (1) The number of students enrolled in the charter school.
- 22 (2) The name and address of each student.
- 23 (3) The name of the school corporation in which the student has
- 24 legal settlement.
- 25 (4) The name of the school corporation, if any, that the student
- 26 attended during the immediately preceding school year.
- 27 (5) The grade level in which the student will enroll in the charter
- 28 school.

29 The department shall verify the accuracy of the information reported.

30 (b) This subsection applies after December 31 of the calendar year in
31 which a charter school begins its initial operation. The department shall
32 distribute to the organizer the amount determined under IC 21-3-1.7 for
33 the charter school. The department shall make a distribution under this
34 subsection at the same time and in the same manner as the department
35 makes a distribution under IC 21-3-1.7.

36 (c) The department shall provide to the department of local
37 government finance the following information:

- 38 (1) For each county, the number of students who:
39 (A) have legal settlement in the county; and
40 (B) attend a charter school.
- 41 (2) The school corporation in which each student described in
- 42 subdivision (1) has legal settlement.
- 43 (3) The charter school that a student described in subdivision (1)
- 44 attends and the county in which the charter school is located.
- 45 (4) The amount determined under ~~IC 6-1.1-19-1.5(g)~~

1 **IC 6-1.1-19-1.5(f)** STEP EIGHT for 2004 and IC 6-1.1-19-1.5(b)
 2 STEP SIX for 2005 for each school corporation described in
 3 subdivision (2).

4 (5) The amount determined under STEP TWO of the following
 5 formula:

6 STEP ONE: Determine the product of:

- 7 (A) the amount determined under IC 21-3-1.7-6.7(d) or
- 8 IC 21-3-1.7-6.7(e) for a charter school described in
- 9 subdivision (3); multiplied by
- 10 (B) thirty-five hundredths (0.35).

11 STEP TWO: Determine the product of:

- 12 (A) the STEP ONE amount; multiplied by
- 13 (B) the current ADM of a charter school described in
- 14 subdivision (3).

15 (6) The amount determined under STEP THREE of the following
 16 formula:

17 STEP ONE: Determine the number of students described in
 18 subdivision (1) who:

- 19 (A) attend the same charter school; and
- 20 (B) have legal settlement in the same school corporation located
- 21 in the county.

22 STEP TWO: Determine the subdivision (5) STEP ONE amount
 23 for a charter school described in STEP ONE (A).

24 STEP THREE: Determine the product of:

- 25 (A) the STEP ONE amount; multiplied by
- 26 (B) the STEP TWO amount.

27 **SECTION 80. IC 21-1-3-8 IS AMENDED TO READ AS FOLLOWS**
 28 **[EFFECTIVE UPON PASSAGE]:** Sec. 8. The common school fund and
 29 the permanent endowment fund which is, at any time, in the custody of
 30 the treasurer of state, and subject to the management and control of the
 31 state board of finance, except as hereinafter provided, shall be invested
 32 ~~as follows:~~ **in:**

- 33 (1) ~~in~~ bonds, notes, certificates and other valid obligations of the
- 34 United States;
- 35 (2) ~~in~~ bonds, notes, debentures and other securities issued by any
- 36 federal instrumentality and fully guaranteed by the United States;
- 37 (3) ~~in~~ bonds, notes, certificates and other valid obligations of any
- 38 state of the United States or of any county, township, city, town or
- 39 other political subdivision of the state of Indiana which are issued
- 40 pursuant to law, the issuers of which, for five (5) years prior to the
- 41 date of such investment, have promptly paid the principal and
- 42 interest on their bonds and other legal obligations in lawful money
- 43 of the United States; **or**
- 44 **(4) bonds, notes, or other securities issued by the Indiana**
- 45 **bond bank and described in IC 5-13-10.5-11(3).**

When it shall occur in any county of this state not having elected to surrender custody of any part of the common and permanent endowment funds to the state, that there is an insufficient amount of said funds held in trust in such county and unloaned, when added to the amount of congressional fund then held in trust and unloaned, as shown by a report of the auditor and treasurer of the county, to make all loans for which the county auditor has applications, upon petition of the board of commissioners of any such county, the state board of finance may allocate to the county making application therefor such amount as the said state board of finance may deem necessary.

SECTION 81. IC 21-2-11.5-3, AS AMENDED BY P.L. 192-2002(ss), SECTION 162, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), each school corporation may levy for the calendar year a property tax for the school transportation fund sufficient to pay all operating costs attributable to transportation that:

(1) are not paid from other revenues available to the fund as specified in section 4 of this chapter; and

(2) are listed in section 2(a)(1) through 2(a)(7) of this chapter.

(b) For each year after ~~2002~~, **2003**, the levy for the fund may not exceed the levy for the previous year, **as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year**, multiplied by the assessed value growth quotient determined under STEP FOUR of the following formula:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 or IC 6-1.1-17-5.6 for part or all of the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

(c) Each school corporation may levy for the calendar year a tax for

the school bus replacement fund in accordance with the school bus acquisition plan adopted under section 3.1 of this chapter.

(d) The tax rate and levy for each fund shall be established as a part of the annual budget for the calendar year in accord with IC 6-1.1-17.

SECTION 82. IC 21-3-1.7-6.8, AS AMENDED BY P.L.276-2003, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.8. (a) This section does not apply to a charter school.

(b) This subsection does not apply after December 31, 2003. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:

STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(d) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:

(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75) in 2003.

(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the result determined in STEP ONE of the formula in section 6.7(d) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter is equal to STEP ONE of the formula in section 6.7(d) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(ii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school

- 1 facility during the preceding year.
- 2 (B) Divide the clause (A) result by the school corporation's
- 3 current ADM.
- 4 (C) Divide the school corporation's 2002 assessed valuation by
- 5 the school corporation's current ADM.
- 6 (D) Divide the clause (C) result by ten thousand (10,000).
- 7 (E) Determine the greater of the following:
- 8 (i) The clause (D) result.
- 9 (ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and
- 10 seventy-five cents (\$39.75) in 2003.
- 11 (F) Divide the clause (B) result by the clause (E) amount.
- 12 (G) Divide the clause (F) result by one hundred (100).
- 13 STEP THREE: Determine the sum of:
- 14 (A) ninety-one and eight-tenths cents (\$0.918) in 2002; and
- 15 (B) ninety-five and eight-tenths cents (\$0.958) in 2003; and
- 16 if applicable, the STEP ONE or STEP TWO result.
- 17 (c) This subsection applies to calendar years beginning after
- 18 December 31, 2004. A school corporation's target general fund
- 19 property tax rate for purposes of IC 6-1.1-19-1.5 is the result
- 20 determined under STEP FOUR of the following formula:
- 21 STEP ONE: Determine the amount determined for the school
- 22 corporation in STEP ONE of the formula in section 6.7(e) of this
- 23 chapter.
- 24 STEP TWO: This STEP applies only if the amount determined in
- 25 STEP EIGHT of the formula in section 6.7(e) of this chapter minus
- 26 the STEP ONE result is greater than zero (0). Determine the result
- 27 under clause (E) of the following formula:
- 28 (A) Divide the school corporation's assessed valuation by the
- 29 school corporation's current ADM.
- 30 (B) Divide the clause (A) result by ten thousand (10,000).
- 31 (C) Determine the greater of the following:
- 32 (i) The clause (B) result.
- 33 (ii) Forty-three dollars and sixty-five cents (\$43.65).
- 34 (D) Determine the result determined under item (ii) of the
- 35 following formula:
- 36 (i) Subtract the STEP ONE result from the amount determined
- 37 in STEP EIGHT of the formula in section 6.7(e) of this
- 38 chapter.
- 39 (ii) Divide the item (i) result by the school corporation's
- 40 current ADM.
- 41 (E) Divide the clause (D) result by the clause (C) result.
- 42 (F) Divide the clause (E) result by one hundred (100).
- 43 STEP THREE: This STEP applies only if the amount determined in
- 44 STEP EIGHT of the formula in section 6.7(e) of this chapter is
- 45 equal to the STEP ONE result and the result of clause (A) is greater
- 46 than zero (0). Determine the result under clause (G) of the

following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(ii) The part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(B) Divide the clause (A) result by the school corporation's current ADM.

(C) Divide the school corporation's assessed valuation by the school corporation's current ADM.

(D) Divide the clause (C) result by ten thousand (10,000).

(E) Determine the greater of the following:

(i) The clause (D) result.

(ii) Forty-three dollars and sixty-five cents (\$43.65).

(F) Divide the clause (B) result by the clause (E) amount.

(G) Divide the clause (F) result by one hundred (100).

STEP FOUR: Determine the sum of sixty-three and seven-tenths cents (\$0.637) and, if applicable, the STEP TWO or STEP THREE result.

~~(c)~~ **(d)** For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation's general fund ad valorem property tax levy is determined under ~~IC 6-1.1-19-1.5(g)~~
IC 6-1.1-19-1.5(f).

SECTION 83. IC 36-2-15-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A county assessor shall be elected under IC 3-10-2-13 by the voters of the county.

(b) To be eligible to serve as an assessor, a person must meet the qualifications prescribed by IC 3-8-1-23.

(c) A county assessor must reside within the county as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the county **or fails to comply with IC 6-1.1-35-1.1.**

(d) The term of office of a county assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified.

SECTION 84. IC 36-6-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 2. (a) A township trustee shall be elected under IC 3-10-2-13 by the voters of each township. The trustee is the township executive.

(b) The township trustee must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The

trustee forfeits office if the trustee:

(1) ceases to be a resident of the township; **or**

(2) **serves as township assessor under IC 36-6-5-2 and fails to comply with IC 6-1.1-35-1.1.**

(c) The term of office of a township trustee is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified.

SECTION 85. IC 36-6-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 1. (a) A township assessor shall be elected under IC 3-10-2-13 by the voters of each township having:

(1) a population of more than eight thousand (8,000); or

(2) an elected township assessor or the authority to elect a township assessor before January 1, 1979.

(b) A township assessor shall be elected under IC 3-10-2-14 in each township having a population of more than five thousand (5,000) but not more than eight thousand (8,000), if the legislative body of the township:

(1) by resolution, declares that the office of township assessor is necessary; and

(2) the resolution is filed with the county election board not later than the first date that a declaration of candidacy may be filed under IC 3-8-2.

(c) The township assessor must reside within the township as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The assessor forfeits office if the assessor ceases to be a resident of the township **or fails to comply with the requirements of IC 6-1.1-35-1.1.**

(d) The term of office of a township assessor is four (4) years, beginning January 1 after election and continuing until a successor is elected and qualified. However, the term of office of a township assessor elected at a general election in which no other township officer is elected ends on December 31 after the next election in which any other township officer is elected.

SECTION 86. IC 36-7-14-39.5, AS AMENDED BY P.L.192-2002(ss), SECTION 178, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 39.5. (a) As used in this section, "allocation area" has the meaning set forth in section 39 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) **and except as provided in subsection (h),** each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (h),** one-half (1/2) of the credit shall be applied to each

installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 39 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the redevelopment district and paid into an allocation fund under section 39(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the redevelopment commission, the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) may, by resolution, provide that the additional credit described in subsection (c):

- (1) does not apply in a specified allocation area; or
- (2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the municipal legislative body or county executive determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the municipal legislative body or county executive must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds

or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property is not included in the base assessed value. If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 87. IC 36-7-15.1-26.5, AS AMENDED BY P.L.192-2002(ss), SECTION 181, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26.5. (a) As used in this section, "adverse determination" means a determination by the fiscal officer of the consolidated city that the granting of credits described in subsection (g) or (h) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(b) As used in this section, "allocation area" has the meaning set forth in section 26 of this chapter.

(c) As used in this section, "special fund" refers to the special fund into which property taxes are paid under section 26 of this chapter.

(d) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(e) Except as provided in subsections (g), (h), ~~and~~ (i), **and (j)**, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May and November of that year. **Except as provided in subsection (j)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a

1 taxing district that contains all or part of the allocation area:

2 STEP ONE: Determine that part of the sum of the amounts under
3 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
4 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
5 the taxing district.

6 STEP TWO: Divide:

7 (A) that part of each county's † eligible property tax replacement
8 amount (as defined in IC 6-1.1-21-2) for that year as determined
9 under IC 6-1.1-21-4 that is attributable to the taxing district; by
10 (B) the STEP ONE sum.

11 STEP THREE: Multiply:

12 (A) the STEP TWO quotient; by
13 (B) the total amount of the taxpayer's taxes (as defined in
14 IC 6-1.1-21-2) levied in the taxing district that would have been
15 allocated to an allocation fund under section 26 of this chapter
16 had the additional credit described in this section not been given.

17 The additional credit reduces the amount of proceeds allocated to the
18 redevelopment district and paid into the special fund.

19 (f) The credit for property tax replacement under IC 6-1.1-21-5 and
20 the additional credits under subsections (e), (g), (h), and (i), unless the
21 credits under subsections (g) and (h) are partial credits, shall be
22 computed on an aggregate basis for all taxpayers in a taxing district that
23 contains all or part of an allocation area. Except as provided in
24 subsections (h) and (i), the credit for property tax replacement under
25 IC 6-1.1-21-5 and the additional credits under subsections (e), (g), (h),
26 and (i) shall be combined on the tax statements sent to each taxpayer.

27 (g) This subsection applies to an allocation area if allocated taxes
28 from that area were pledged to bonds, leases, or other obligations of the
29 commission before May 8, 1989. A credit calculated using the method
30 provided in subsection (e) may be granted under this subsection. The
31 credit provided under this subsection is first applicable for the allocation
32 area for property taxes first due and payable in 1992. The following
33 apply to the determination of the credit provided under this subsection:

34 (1) Before June 15 of each year, the fiscal officer of the
35 consolidated city shall determine and certify the following:

36 (A) All amounts due in the following year to the owners of
37 outstanding bonds payable from the allocation area special fund.

38 (B) All amounts that are:

39 (i) required under contracts with bond holders; and

40 (ii) payable from the allocation area special fund to fund
41 accounts and reserves.

42 (C) An estimate of the amount of personal property taxes
43 available to be paid into the allocation area special fund under
44 section 26.9(c) of this chapter.

45 (D) An estimate of the aggregate amount of credits to be granted
46 if full credits are granted.

(2) Before June 15 of each year, the fiscal officer of the consolidated city shall determine if the granting of the full amount of credits in the following year would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund.

(3) If the fiscal officer of the consolidated city determines under subdivision (2) that there would not be an impairment or adverse effect:

(A) the fiscal officer of the consolidated city shall certify the determination; and

(B) the full credits shall be applied in the following year, subject to the determinations and certifications made under section 26.7(b) of this chapter.

(4) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (2), the fiscal officer of the consolidated city shall determine whether there is an amount of partial credits that, if granted in the following year, would not result in the impairment or adverse effect. If the fiscal officer determines that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall do the following:

(A) Determine the amount of the partial credits.

(B) Certify that determination.

(5) If the fiscal officer of the consolidated city certifies under subdivision (4) that partial credits may be paid, the partial credits shall be applied pro rata among all affected taxpayers in the following year.

(6) An affected taxpayer may appeal any of the following to the circuit or superior court of the county in which the allocation area is located:

(A) A determination by the fiscal officer of the consolidated city that:

(i) credits may not be paid in the following year; or

(ii) only partial credits may be paid in the following year.

(B) A failure by the fiscal officer of the consolidated city to make a determination by June 15 of whether full or partial credits are payable under this subsection.

(7) An appeal of a determination must be filed not later than thirty (30) days after the publication of the determination.

(8) An appeal of a failure by the fiscal officer of the consolidated city to make a determination of whether the credits are payable under this subsection must be filed by July 15 of the year in which the determination should have been made.

(9) All appeals under subdivision (6) shall be decided by the court within sixty (60) days.

(h) This subsection applies to an allocation area if allocated taxes

from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. A credit calculated using the method in subsection (e) and in subdivision (2) may be granted under this subsection. The following apply to the credit granted under this subsection:

(1) The credit is applicable to property taxes first due and payable in 1991.

(2) For purposes of this subsection, the amount of a credit for 1990 taxes payable in 1991 with respect to an affected taxpayer is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e); multiplied by

(B) the total amount of the property taxes payable by the taxpayer that were allocated in 1991 to the allocation area special fund under section 26 of this chapter.

(3) Before June 15, 1991, the fiscal officer of the consolidated city shall determine and certify an estimate of the aggregate amount of credits for 1990 taxes payable in 1991 if the full credits are granted.

(4) The fiscal officer of the consolidated city shall determine whether the granting of the full amounts of the credits for 1990 taxes payable in 1991 against 1991 taxes payable in 1992 and the granting of credits under subsection (g) would impair any contract with or otherwise adversely affect the owners of outstanding bonds payable from the allocation area special fund for an allocation area described in subsection (g).

(5) If the fiscal officer of the consolidated city determines that there would not be an impairment or adverse effect under subdivision (4):

(A) the fiscal officer shall certify that determination; and

(B) the full credits shall be applied against 1991 taxes payable in 1992 or the amount of the credits shall be paid to the taxpayers as provided in subdivision (12), subject to the determinations and certifications made under section 26.7(b) of this chapter.

(6) If the fiscal officer of the consolidated city makes an adverse determination under subdivision (4), the fiscal officer shall determine whether there is an amount of partial credits for 1990 taxes payable in 1991 that, if granted against 1991 taxes payable in 1992 in addition to granting of the credits under subsection (g), would not result in the impairment or adverse effect.

(7) If the fiscal officer of the consolidated city determines under subdivision (6) that there is an amount of partial credits that would not result in the impairment or adverse effect, the fiscal officer shall determine the amount of partial credits and certify that determination.

(8) If the fiscal officer of the consolidated city certifies under subdivision (7) that partial credits may be paid, the partial credits

1 shall be applied pro rata among all affected taxpayers against 1991
2 taxes payable in 1992.

3 (9) An affected taxpayer may appeal any of the following to the
4 circuit or superior court of the county in which the allocation area
5 is located:

6 (A) A determination by the fiscal officer of the consolidated city
7 that:

8 (i) credits may not be paid for 1990 taxes payable in 1991; or

9 (ii) only partial credits may be paid for 1990 taxes payable in
10 1991.

11 (B) A failure by the fiscal officer of the consolidated city to make
12 a determination by June 15, 1991, of whether credits are payable
13 under this subsection.

14 (10) An appeal of a determination must be filed not later than thirty
15 (30) days after the publication of the determination. Any such
16 appeal shall be decided by the court within sixty (60) days.

17 (11) An appeal of a failure by the fiscal officer of the consolidated
18 city to make a determination of whether credits are payable under
19 this subsection must be filed by July 15, 1991. Any such appeal
20 shall be decided by the court within sixty (60) days.

21 (12) If 1991 taxes payable in 1992 with respect to a parcel are
22 billed to the same taxpayer to which 1990 taxes payable in 1991
23 were billed, the county treasurer shall apply to the tax bill for 1991
24 taxes payable in 1992 both the credit provided under subsection (g)
25 and the credit provided under this subsection, along with any credit
26 determined to be applicable to the tax bill under subsection (i). In
27 the alternative, at the election of the county auditor, the county may
28 pay to the taxpayer the amount of the credit by May 10, 1992, and
29 the amount shall be charged to the taxing units in which the
30 allocation area is located in the proportion of the taxing units'
31 respective tax rates for 1990 taxes payable in 1991.

32 (13) If 1991 taxes payable in 1992 with respect to a parcel are
33 billed to a taxpayer other than the taxpayer to which 1990 taxes
34 payable in 1991 were billed, the county treasurer shall do the
35 following:

36 (A) Apply only the credits under subsections (g) and (i) to the tax
37 bill for 1991 taxes payable in 1992.

38 (B) Give notice by June 30, 1991, by publication two (2) times
39 in three (3) newspapers in the county with the largest circulation
40 of the availability of a refund of the credit under this subsection.

41 A taxpayer entitled to a credit must file an application for refund of
42 the credit with the county auditor not later than November 30,
43 1991.

44 (14) A taxpayer who files an application by November 30, 1991, is
45 entitled to payment from the county treasurer in an amount that is
46 in the same proportion to the credit provided under this subsection

with respect to a parcel as the amount of 1990 taxes payable in 1991 paid by the taxpayer with respect to the parcel bears to the 1990 taxes payable in 1991 with respect to the parcel. This amount shall be paid to the taxpayer by May 10, 1992, and shall be charged to the taxing units in which the allocation area is located in the proportion of the taxing units' respective tax rates for 1990 taxes payable in 1991.

(i) This subsection applies to an allocation area if allocated taxes from that area were pledged to bonds, leases, or other obligations of the commission before May 8, 1989. The following apply to the credit granted under this subsection:

(1) A prior year credit is applicable to property taxes first due and payable in each year from 1987 through 1990 (the "prior years").

(2) The credit for each prior year is equal to:

(A) the amount of the quotient determined under STEP TWO of subsection (e) for the prior year; multiplied by

(B) the total amount of the property taxes paid by the taxpayer that were allocated in the prior year to the allocation area special fund under section 26 of this chapter.

(3) Before January 31, 1992, the county auditor shall determine the amount of credits under subdivision (2) with respect to each parcel in the allocation area for all prior years with respect to which:

(A) taxes were billed to the same taxpayer for taxes payable in each year from 1987 through 1991; or

(B) an application was filed by November 30, 1991, under subdivision (8) for refund of the credits for prior years.

A report of the determination by parcel shall be sent by the county auditor to the department of local government finance and the budget agency within five (5) days of such determination.

(4) Before January 31, 1992, the county auditor shall determine the quotient of the amounts determined under subdivision (3) with respect to each parcel divided by six (6).

(5) Before January 31, 1992, the county auditor shall determine the quotient of the aggregate amounts determined under subdivision (3) with respect to all parcels divided by twelve (12).

(6) Except as provided in subdivisions (7) and (9), in each year in which credits from prior years remain unpaid, credits for the prior years in the amounts determined under subdivision (4) shall be applied as provided in this subsection.

(7) If taxes payable in the current year with respect to a parcel are billed to the same taxpayer to which taxes payable in all of the prior years were billed and if the amount determined under subdivision (3) with respect to the parcel is at least five hundred dollars (\$500), the county treasurer shall apply the credits provided for the current year under subsections (g) and (h) and the credit in the amount determined under subdivision (4) to the tax bill for taxes payable in

the current year. However, if the amount determined under subdivision (3) with respect to the parcel is less than five hundred dollars (\$500) (referred to in this subdivision as "small claims"), the county may, at the election of the county auditor, either apply a credit in the amount determined under subdivision (3) or (4) to the tax bill for taxes payable in the current year or pay either amount to the taxpayer. If title to a parcel transfers in a year in which a credit under this subsection is applied to the tax bill, the transferor may file an application with the county auditor within thirty (30) days of the date of the transfer of title to the parcel for payments to the transferor at the same times and in the same amounts that would have been allowed as credits to the transferor under this subsection if there had not been a transfer. If a determination is made by the county auditor to refund or credit small claims in the amounts determined under subdivision (3) in 1992, the county auditor may make appropriate adjustments to the credits applied with respect to other parcels so that the total refunds and credits in any year will not exceed the payments made from the state property tax replacement fund to the prior year credit fund referred to in subdivision (11) in that year.

(8) If taxes payable in the current year with respect to a parcel are billed to a taxpayer that is not a taxpayer to which taxes payable in all of the prior years were billed, the county treasurer shall do the following:

(A) Apply only the credits under subsections (g) and (h) to the tax bill for taxes payable in the current year.

(B) Give notice by June 30, 1991, by publication two (2) times in three (3) newspapers in the county with the largest circulation of the availability of a refund of the credit.

A taxpayer entitled to the credit must file an application for refund of the credit with the county auditor not later than November 30, 1991. A refund shall be paid to an eligible applicant by May 10, 1992.

(9) A taxpayer who filed an application by November 30, 1991, is entitled to payment from the county treasurer under subdivision (8) in an amount that is in the same proportion to the credit determined under subdivision (3) with respect to a parcel as the amount of taxes payable in the prior years paid by the taxpayer with respect to the parcel bears to the taxes payable in the prior years with respect to the parcel.

(10) In each year on May 1 and November 1, the state shall pay to the county treasurer from the state property tax replacement fund the amount determined under subdivision (5).

(11) All payments received from the state under subdivision (10) shall be deposited into a special fund to be known as the prior year credit fund. The prior year credit fund shall be used to make:

(A) payments under subdivisions (7) and (9); and
 (B) deposits into the special fund for the application of prior year credits.

(12) All amounts paid into the special fund for the allocation area under subdivision (11) are subject to any pledge of allocated property tax proceeds made by the redevelopment district under section 26(d) of this chapter, including but not limited to any pledge made to owners of outstanding bonds of the redevelopment district of allocated taxes from that area.

(13) By January 15, 1993, and by January 15 of each year thereafter, the county auditor shall send to the department of local government finance and the budget agency a report of the receipts, earnings, and disbursements of the prior year credit fund for the prior calendar year. If in the final year that credits under **this** subsection ~~(13)~~ are allowed any balance remains in the prior year credit fund after the payment of all credits payable under this subsection, such balance shall be repaid to the treasurer of state for deposit in the property tax replacement fund.

(14) In each year, the county shall limit the total of all refunds and credits provided for in this subsection to the total amount paid in that year from the property tax replacement fund into the prior year credit fund and any balance remaining from the preceding year in the prior year credit fund.

(j) This subsection applies to an allocation area only to the extent that the net assessed value of property is not included in the base assessed value. If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (e) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 88. IC 36-7-15.1-35, AS AMENDED BY P.L.192-2002(ss), SECTION 182, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(g) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter

for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:

(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of infrastructure (such as streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) To provide financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) To provide financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) To provide each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, this credit may be provided by the commission only if the city-county legislative body establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 32 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4(a)(1) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) **Except as provided in subsection (g)**, the commission may determine to grant to taxpayers in an allocation area from its allocation

1 fund a credit under this section, as calculated under subsection (c), by
 2 applying one-half (1/2) of the credit to each installment of taxes (as
 3 defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable
 4 ~~on~~ in May ~~+~~ and November ~~+~~ of a year. **Except as provided in**
 5 **subsection (g), one-half (1/2) of the credit shall be applied to each**
 6 **installment of taxes (as defined in IC 6-1.1-21-2).** The commission
 7 must provide for the credit annually by a resolution and must find in the
 8 resolution the following:

9 (1) That the money to be collected and deposited in the allocation
 10 fund, based upon historical collection rates, after granting the credit
 11 will equal the amounts payable for contractual obligations from the
 12 fund, plus ten percent (10%) of those amounts.

13 (2) If bonds payable from the fund are outstanding, that there is a
 14 debt service reserve for the bonds that at least equals the amount
 15 of the credit to be granted.

16 (3) If bonds of a lessor under section 17.1 of this chapter or under
 17 IC 36-1-10 are outstanding and if lease rentals are payable from the
 18 fund, that there is a debt service reserve for those bonds that at
 19 least equals the amount of the credit to be granted.

20 If the tax increment is insufficient to grant the credit in full, the
 21 commission may grant the credit in part, prorated among all taxpayers.

22 (e) Notwithstanding section 26(b) of this chapter, the special fund
 23 established under section 26(b) of this chapter for the allocation area for
 24 a program adopted under section 32 of this chapter may only be used
 25 to do one (1) or more of the following:

26 (1) Accomplish one (1) or more of the actions set forth in section
 27 26(b)(2)(A) through 26(b)(2)(H) of this chapter.

28 (2) Reimburse the consolidated city for expenditures made by the
 29 city in order to accomplish the housing program in that allocation
 30 area.

31 The special fund may not be used for operating expenses of the
 32 commission.

33 (f) Notwithstanding section 26(b) of this chapter, the commission
 34 shall, relative to the special fund established under section 26(b) of this
 35 chapter for an allocation area for a program adopted under section 32
 36 of this chapter, do the following before July 15 of each year:

37 (1) Determine the amount, if any, by which property taxes payable
 38 to the allocation fund in the following year will exceed the amount
 39 of property taxes necessary:

40 (A) to make, when due, principal and interest payments on bonds
 41 described in section 26(b)(2) of this chapter;

42 (B) to pay the amount necessary for other purposes described in
 43 section 26(b)(2) of this chapter; and

44 (C) to reimburse the consolidated city for anticipated
 45 expenditures described in subsection (e)(2).

(2) Notify the county auditor of the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property is not included in the base assessed value. If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 89. IC 36-7-15.1-56, AS AMENDED BY P.L.192-2002(ss), SECTION 184, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 56. (a) As used in this section, "allocation area" has the meaning set forth in section 53 of this chapter.

(b) As used in this section, "taxing district" has the meaning set forth in IC 6-1.1-1-20.

(c) Subject to subsection (e) **and except as provided in subsection (h)**, each taxpayer in an allocation area is entitled to an additional credit for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due and payable in May and November of that year. **Except as provided in subsection (h)**, one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

STEP TWO: Divide:

- (A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) for that year as determined under IC 6-1.1-21-4 that is attributable to the taxing district; by
- (B) the STEP ONE sum.

STEP THREE: Multiply:

- (A) the STEP TWO quotient; times
- (B) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2) levied in the taxing district that would have been allocated to an allocation fund under section 53 of this chapter had the additional credit described in this section not been given.

The additional credit reduces the amount of proceeds allocated to the

development district and paid into an allocation fund under section 53(b)(2) of this chapter.

(d) If the additional credit under subsection (c) is not reduced under subsection (e) or (f), the credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be computed on an aggregate basis for all taxpayers in a taxing district that contains all or part of an allocation area. The credit for property tax replacement under IC 6-1.1-21-5 and the additional credit under subsection (c) shall be combined on the tax statements sent to each taxpayer.

(e) Upon the recommendation of the commission, the excluded city legislative body may, by resolution, provide that the additional credit described in subsection (c):

(1) does not apply in a specified allocation area; or

(2) is to be reduced by a uniform percentage for all taxpayers in a specified allocation area.

(f) Whenever the excluded city legislative body determines that granting the full additional credit under subsection (c) would adversely affect the interests of the holders of bonds or other contractual obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that those bonds or other contractual obligations would not be paid when due, the excluded city legislative body must adopt a resolution under subsection (e) to deny the additional credit or reduce it to a level that creates a reasonable expectation that the bonds or other obligations will be paid when due. A resolution adopted under subsection (e) denies or reduces the additional credit for property taxes first due and payable in the allocation area in any year following the year in which the resolution is adopted.

(g) A resolution adopted under subsection (e) remains in effect until it is rescinded by the body that originally adopted it. However, a resolution may not be rescinded if the rescission would adversely affect the interests of the holders of bonds or other obligations that are payable from allocated tax proceeds in that allocation area in a way that would create a reasonable expectation that the principal of or interest on the bonds or other obligations would not be paid when due. If a resolution is rescinded and no other resolution is adopted, the additional credit described in subsection (c) applies to property taxes first due and payable in the allocation area in each year following the year in which the resolution is rescinded.

(h) This subsection applies to an allocation area only to the extent that the net assessed value of property is not included in the base assessed value. If property tax installments are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those

1 **installments in an allocation area is entitled to an additional credit**
 2 **under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due**
 3 **in installments. The credit shall be applied in the same proportion**
 4 **to each installment of taxes (as defined in IC 6-1.1-21-2).**

5 SECTION 90. IC 36-7-30-27, AS AMENDED BY P.L.192-2002(ss),
 6 SECTION 186, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 27. (a) As used in this section, "allocation area"
 8 has the meaning set forth in section 25 of this chapter.

9 (b) As used in this section, "taxing district" has the meaning set forth
 10 in IC 6-1.1-1-20.

11 (c) Subject to subsection (e) **and except as provided in subsection**
 12 **(h)**, each taxpayer in an allocation area is entitled to an additional credit
 13 for taxes (as defined in IC 6-1.1-21-2) that under IC 6-1.1-22-9 are due
 14 and payable in May and November of that year. **Except as provided in**
 15 **subsection (h)**, one-half (1/2) of the credit shall be applied to each
 16 installment of taxes (as defined in IC 6-1.1-21-2). This credit equals the
 17 amount determined under the following STEPS for each taxpayer in a
 18 taxing district that contains all or part of the allocation area:

19 STEP ONE: Determine that part of the sum of the amounts under
 20 IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3),
 21 IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) that is attributable to
 22 the taxing district.

23 STEP TWO: Divide:

- 24 (A) that part of each county's eligible property tax replacement
- 25 amount (as defined in IC 6-1.1-21-2) for that year as determined
- 26 under IC 6-1.1-21-4 that is attributable to the taxing district; by
- 27 (B) the STEP ONE sum.

28 STEP THREE: Multiply:

- 29 (A) the STEP TWO quotient; times
- 30 (B) the total amount of the taxpayer's taxes (as defined in
- 31 IC 6-1.1-21-2) levied in the taxing district that would have been
- 32 allocated to an allocation fund under section 25 of this chapter
- 33 had the additional credit described in this section not been given.

34 The additional credit reduces the amount of proceeds allocated to the
 35 military base reuse district and paid into an allocation fund under section
 36 25(b)(2) of this chapter.

37 (d) If the additional credit under subsection (c) is not reduced under
 38 subsection (e) or (f), the credit for property tax replacement under
 39 IC 6-1.1-21-5 and the additional credit under subsection (c) shall be
 40 computed on an aggregate basis for all taxpayers in a taxing district that
 41 contains all or part of an allocation area. The credit for property tax
 42 replacement under IC 6-1.1-21-5 and the additional credit under
 43 subsection (c) shall be combined on the tax statements sent to each
 44 taxpayer.

45 (e) Upon the recommendation of the reuse authority, the municipal

1 legislative body (in the case of a reuse authority established by a
 2 municipality) or the county executive (in the case of a reuse authority
 3 established by a county) may by resolution provide that the additional
 4 credit described in subsection (c):

5 (1) does not apply in a specified allocation area; or

6 (2) is to be reduced by a uniform percentage for all taxpayers in a
 7 specified allocation area.

8 (f) If the municipal legislative body or county executive determines
 9 that granting the full additional credit under subsection (c) would
 10 adversely affect the interests of the holders of bonds or other
 11 contractual obligations that are payable from allocated tax proceeds in
 12 that allocation area in a way that would create a reasonable expectation
 13 that those bonds or other contractual obligations would not be paid
 14 when due, the municipal legislative body or county executive must
 15 adopt a resolution under subsection (e) to deny the additional credit or
 16 reduce the credit to a level that creates a reasonable expectation that the
 17 bonds or other obligations will be paid when due. A resolution adopted
 18 under subsection (e) denies or reduces the additional credit for property
 19 taxes first due and payable in the allocation area in any year following
 20 the year in which the resolution is adopted.

21 (g) A resolution adopted under subsection (e) remains in effect until
 22 rescinded by the body that originally adopted the resolution. However,
 23 a resolution may not be rescinded if the rescission would adversely
 24 affect the interests of the holders of bonds or other obligations that are
 25 payable from allocated tax proceeds in that allocation area in a way that
 26 would create a reasonable expectation that the principal of or interest on
 27 the bonds or other obligations would not be paid when due. If a
 28 resolution is rescinded and no other resolution is adopted, the additional
 29 credit described in subsection (c) applies to property taxes first due and
 30 payable in the allocation area in each year following the year in which
 31 the resolution is rescinded.

32 **(h) This subsection applies to an allocation area only to the**
 33 **extent that the net assessed value of property is not included in**
 34 **the base assessed value. If property tax installments are due in**
 35 **installments established by the department of local government**
 36 **finance under IC 6-1.1-22-9.5, each taxpayer subject to those**
 37 **installments in an allocation area is entitled to an additional credit**
 38 **under subsection (c) for the taxes (as defined in IC 6-1.1-21-2) due**
 39 **in installments. The credit shall be applied in the same proportion**
 40 **to each installment of taxes (as defined in IC 6-1.1-21-2).**

41 SECTION 91. IC 36-7-32-18, AS ADDED BY P.L.192-2002(ss),
 42 SECTION 187, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 43 UPON PASSAGE]: Sec. 18. (a) **Except as provided in subsection (e),**
 44 a redevelopment commission may, by resolution, provide that each
 45 taxpayer in a certified technology park that has been designated as an

1 allocation area is entitled to an additional credit for taxes (as defined in
 2 IC 6-1.1-21-2) that, under IC 6-1.1-22-9, are due and payable in May
 3 and November of that year. **Except as provided in subsection (e),**
 4 one-half (1/2) of the credit shall be applied to each installment of
 5 property taxes. This credit equals the amount determined under the
 6 following STEPS for each taxpayer in a taxing district that contains all
 7 or part of the certified technology park:

8 STEP ONE: Determine that part of the sum of the amounts under
 9 IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through
 10 IC 6-1.1-21-2(g)(5) that is attributable to the taxing district.

11 STEP TWO: Divide:

12 (A) that part of the county's total eligible property tax
 13 replacement amount (as defined in IC 6-1.1-21-2) for that year
 14 as determined under IC 6-1.1-21-4 that is attributable to the
 15 taxing district; by

16 (B) the STEP ONE sum.

17 STEP THREE: Multiply:

18 (A) the STEP TWO quotient; by

19 (B) the total amount of the taxpayer's taxes (as defined in
 20 IC 6-1.1-21-2) levied in the taxing district that would have been
 21 allocated to the certified technology park fund under section 17
 22 of this chapter had the additional credit described in this section
 23 not been given.

24 The additional credit reduces the amount of proceeds allocated and paid
 25 into the certified technology park fund under section 17 of this chapter.

26 (b) The additional credit under subsection (a) shall be:

- 27 (1) computed on an aggregate basis of all taxpayers in a taxing
- 28 district that contains all or part of a certified technology park; and
- 29 (2) combined on the tax statement sent to each taxpayer.

30 (c) Concurrently with the mailing or other delivery of the tax
 31 statement or any corrected tax statement to each taxpayer, as required
 32 by IC 6-1.1-22-8(a), each county treasurer shall for each tax statement
 33 also deliver to each taxpayer in a certified technology park who is
 34 entitled to the additional credit under subsection (a) a notice of
 35 additional credit. The actual dollar amount of the credit, the taxpayer's
 36 name and address, and the tax statement to which the credit applies
 37 must be stated on the notice.

38 (d) Notwithstanding any other law, a taxpayer in a certified
 39 technology park is not entitled to a credit for property tax replacement
 40 under IC 6-1.1-21-5.

41 **(e) This subsection applies to an allocation area only to the**
 42 **extent that the net assessed value of property is not included in**
 43 **the base assessed value. If property tax installments are due in**
 44 **installments established by the department of local government**
 45 **finance under IC 6-1.1-22-9.5, each taxpayer subject to those**

installments in an allocation area is entitled to an additional credit under subsection (a) for the taxes (as defined in IC 6-1.1-21-2) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2).

SECTION 92. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2004]: IC 6-1.1-3-20; IC 6-1.1-9-5.

SECTION 93. IC 6-1.1-35.5-9 IS REPEALED [EFFECTIVE JULY 1, 2004].

SECTION 94. P.L.192-2002(ss), SECTION 210 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE] SECTION 210.

(a) For each county, the department of local government finance shall prescribe a form for explaining the average countywide effect that the property tax reforms in P.L.192-2002(ss) and this act had on the net ad valorem property tax liability that homestead owners, including all persons eligible for a homestead credit under IC 6-1.1-20.9, are required to pay for property taxes imposed for an assessment date after February 28, 2003, and first due and payable in ~~2003~~ 2004. The form must include a comparison between the amount of the average tax that would be due in the county on a homestead if property tax reforms had not been enacted and the average tax that is due in the county on a homestead. The form must include a statement that the tax relief provided by P.L.192-2002(ss) and this act may have been reduced by property tax increases imposed by local units of government. The department of local government finance shall provide the county's form to the county treasurer not later than the date that the department of local government finance certifies tax levies, tax rates, and budgets for the county under IC 6-1.1-17.

~~(A)~~ (b) A county treasurer who mails a property tax statement under IC 6-1.1-22-8(a)(1) for property taxes imposed for an assessment date after February 28, 2003, and first due and payable in 2004 on a homestead shall include in or mail with the statement

~~(A) the following statement:~~

~~"Your assessing officials have completed a general reassessment of all real property in the county. The reassessment was necessary to comply with Indiana law. The Indiana General Assembly has increased the property tax replacement credit and made other changes to the property tax system to substantially reduce the effects that this reassessment may have on your property tax liability; and~~

~~(B) a comparison of:~~

~~(i) the amount of the taxpayer's property tax liability; and~~

~~(ii) the amount that the taxpayer's property tax liability would~~

1 have been had this act not been enacted by the general
 2 assembly; and
 3 **the form prescribed for the county under subsection (a). ~~(2)~~ A**
 4 county treasurer who transmits a statement to a person's mortgagee
 5 under IC 6-1.1-22-8(a)(2) **for property taxes imposed for an**
 6 **assessment date after February 28, 2003, and first due and**
 7 **payable in 2004 on a homestead** shall, at the time the county treasurer
 8 mails statements under IC 6-1.1-22-8(a)(1), mail or cause to be mailed
 9 to the last known address of the person ~~(A) the statement referred to in~~
 10 ~~subdivision (1)(A); and (B) the comparison referred to in subdivision~~
 11 ~~(1)(B);~~ **form prescribed for the county under subsection (a). The**
 12 **form need not be included in the statement transmitted to the**
 13 **person's mortgagee. The information sent under this subsection**
 14 **must be conspicuously displayed in at least 12 point bold type.**

15 (c) When the county treasurer has complied with subsection (b),
 16 the county treasurer shall certify in writing to the department of
 17 state revenue that the county treasurer has complied with this
 18 SECTION.

19 (d) This SECTION expires December 31, ~~2003~~; 2005.

20 SECTION 95. [EFFECTIVE UPON PASSAGE] **The following apply**
 21 **only to property taxes first due and payable after December 31,**
 22 **2003, for assessment dates after February 28, 2003:**

23 IC 6-1.1-12-9, as amended by this act
 24 IC 6-1.1-12-11, as amended by this act
 25 IC 6-1.1-12-13, as amended by this act
 26 IC 6-1.1-12-14, as amended by this act
 27 IC 6-1.1-12-16, as amended by this act
 28 IC 6-1.1-12-17.4, as amended by this act
 29 IC 6-1.1-12-18, as amended by this act
 30 IC 6-1.1-12-22, as amended by this act
 31 IC 6-1.1-12-37, as amended by this act
 32 IC 6-1.1-12-43, as added by this act
 33 IC 6-1.1-12-44, as added by this act
 34 IC 6-1.1-12.1-4.1, as amended by this act.

35 SECTION 96. [EFFECTIVE UPON PASSAGE] (a) For purposes of
 36 this SECTION, "benefit" means:

37 (1) a credit under IC 6-1.1-20.9; or
 38 (2) a deduction under any of the following:
 39 IC 6-1.1-12-1
 40 IC 6-1.1-12-9, as amended by this act
 41 IC 6-1.1-12-11, as amended by this act
 42 IC 6-1.1-12-13, as amended by this act
 43 IC 6-1.1-12-14, as amended by this act

1 **IC 6-1.1-12-16, as amended by this act**
 2 **IC 6-1.1-12-17.4, as amended by this act**
 3 **IC 6-1.1-12-18, as amended by this act**
 4 **IC 6-1.1-12-22, as amended by this act**
 5 **IC 6-1.1-12-44, as added by this act**
 6 **IC 6-1.1-12.1-4.1, as amended by this act.**

7 **(b) This SECTION applies to an individual who, with respect to**
 8 **a real property parcel:**

9 **(1) did not receive a benefit for property taxes first due and**
 10 **payable in 2003;**

11 **(2) subject to subsection (c), before December 15, 2003, met**
 12 **the eligibility criteria for the benefit under a section referred**
 13 **to in subsection (a) for property taxes first due and payable in**
 14 **2004; and**

15 **(3) did not file a timely application as required by law for the**
 16 **benefit for property taxes first due and payable in 2004.**

17 **(c) Notwithstanding IC 6-1.1-20.9-2 or any other law, for**
 18 **purposes of this SECTION, an individual is not required to have**
 19 **been the owner or contract purchaser of the property on March 1,**
 20 **2003, to meet the eligibility criteria for the homestead credit or**
 21 **other benefit under this SECTION. An individual who is the owner**
 22 **or contract purchaser on the date that the individual files a claim**
 23 **for a benefit under this SECTION meets the ownership criteria for**
 24 **the benefit.**

25 **(d) Except as provided in subsection (e), an individual may:**

26 **(1) claim a benefit referred to in subsection (a)(1) by meeting**
 27 **the filing requirements of IC 6-1.1-20.9; and**

28 **(2) claim a benefit referred to in subsection (a)(2) by meeting**
 29 **the filing requirements of IC 6-1.1-12.**

30 **(e) The filing requirements for a benefit under this SECTION**
 31 **must be met before December 15, 2003.**

32 **(f) The department of local government finance shall:**

33 **(1) prescribe forms; or**

34 **(2) issue instructions for the use of existing forms;**
 35 **for filing a claim under subsection (d).**

36 **(g) The county auditor shall determine the individual's eligibility**
 37 **for a benefit under this SECTION. If the county auditor**
 38 **determines that an individual is eligible for a benefit under this**
 39 **SECTION for a parcel, the county auditor shall:**

40 **(1) apply the benefit with respect to taxes first due and**
 41 **payable in 2004 for the parcel; and**

42 **(2) before January 1, 2004:**

43 **(A) send to the department of local government finance a**

1 revised certification under IC 6-1.1-17-1(a) for the county
2 that reflects:

- 3 (i) the benefits applied under this SECTION; and
4 (ii) deductions under IC 6-1.1-12-37 and IC 6-1.1-12-43
5 applied as described in subsection (k); and
6 (B) certify to the department of local government finance
7 the amount of homestead credits allowed in the county
8 under this SECTION for property taxes first due and
9 payable in 2004.

10 (h) The department of local government finance shall use the
11 revised certifications received under subsection (g)(2)(A) in the
12 department's determination of tax rates under IC 6-1.1-17-16 for
13 taxes first due and payable in 2004. Notwithstanding
14 IC 6-1.1-17-16(d), the department of local government finance
15 may increase a political subdivision's tax rate to an amount that
16 exceeds the amount originally fixed by the political subdivision
17 based on the revised certification received under subsection
18 (g)(2)(A).

19 (i) Before January 15, 2004, the department of local government
20 finance shall certify the amount of homestead credits referred to
21 in subsection (g)(2)(B) to the department of state revenue. For
22 property taxes first due and payable in 2004, the department of
23 state revenue shall allocate under IC 6-1.1-21-4 from the property
24 tax replacement fund an additional amount equal to the total
25 amount of homestead credits allowed under this SECTION for
26 property taxes first due and payable in 2004. The department of
27 state revenue shall distribute the amount allocated under this
28 subsection in the same manner that other property tax
29 replacement fund distributions are made in 2004.

30 (j) A statement filed under this SECTION to obtain a benefit for
31 property taxes first due and payable in 2004 applies for that year
32 and any succeeding year for which the benefit is allowed.

33 (k) Each year a person who is entitled under this SECTION to
34 receive the homestead credit under IC 6-1.1-20.9 for property
35 taxes first due and payable in 2004 is entitled for that year to the
36 deduction under:

- 37 (1) IC 6-1.1-12-37; and
38 (2) if the dwelling on the homestead was initially erected at
39 least fifty (50) years before March 1, 2003, IC 6-1.1-12-43;
40 from the assessed value of the real property that qualifies for the
41 homestead credit.

42 SECTION 97. [EFFECTIVE UPON PASSAGE] Any action taken
43 by the department of local government finance before January 1,

1 **2004, to:**

- 2 **(1) allow a taxpayer to file a petition under IC 6-1.1-15-1(b)(1)**
 3 **more than forty-five (45) days after notice of a change in the**
 4 **assessment is given to the taxpayer;**
 5 **(2) allow the payment of property taxes in installments other**
 6 **than the installments prescribed in IC 6-1.1-22-9(a); or**
 7 **(3) waive all or part of a penalty under IC 6-1.1-37-10;**

8 **is legalized and validated.**

9 **SECTION 98. [EFFECTIVE UPON PASSAGE] (a) As used in this**
 10 **SECTION, "department" refers to the department of local**
 11 **government finance.**

12 **(b) The department shall study the feasibility of creating**
 13 **uniform and common computer software programs for property**
 14 **tax assessment purposes, including computer software programs**
 15 **that allow the sharing and transfer of assessment data in a**
 16 **uniform format by the state and all counties.**

17 **(c) The department shall report the results of the study required**
 18 **by subsection (b) to the commission on state tax and financing**
 19 **policy before September 1, 2004.**

20 **(d) Upon approval of the governor, the budget agency may**
 21 **authorize the payment of expenses incurred by the department in**
 22 **conducting the study required by subsection (b) from amounts**
 23 **allotted from the departmental and institutional emergency**
 24 **contingency fund.**

25 **(e) This SECTION expires January 1, 2005.**

26 **SECTION 99. [EFFECTIVE UPON PASSAGE] IC 6-1.1-15-11, as**
 27 **amended by this act, applies only to refunds that result from**
 28 **assessment reductions for which notice is given to the taxpayer**
 29 **after December 31, 2003.**

30 **SECTION 100. [EFFECTIVE JULY 1, 2004] IC 6-1.1-17-20, as**
 31 **amended by this act, applies only to:**

- 32 **(1) property taxes first due and payable; and**
 33 **(2) budgets for budget years;**

34 **after December 31, 2004.**

35 **SECTION 101. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-17**
 36 **and IC 6-1.1-19-1.7, both as amended by this act, apply only to**
 37 **property taxes first due and payable after December 31, 2003.**

38 **SECTION 102. [EFFECTIVE UPON PASSAGE] IC 6-1.1-18.5-6,**
 39 **IC 6-1.1-19-1.5, IC 6-1.1-19-4.7, IC 20-5.5-7-3, and**
 40 **IC 21-3-1.7-6.8, all as added or amended by this act, apply to**
 41 **property taxes first due and payable after December 31, 2003.**

42 **SECTION 103. [EFFECTIVE JULY 1, 2004] A county assessor,**
 43 **township assessor, or township trustee-assessor serving on**

January 1, 2006, is required to comply with IC 6-1.1-35-1.1, as amended by this act, only if the assessor or trustee-assessor is elected to a new term of office that begins after December 31, 2005.

SECTION 104. [EFFECTIVE MAY 10, 2003 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) Except as provided in subsection (c), a review of an assessment of real property for the 2003 assessment date initiated by a taxpayer after May 10, 2003, and not later than forty-five (45) days after the taxpayer receives a tax statement for the property taxes that are based on the assessment of the real property for the 2002 assessment date is valid if:

(1) the review:

(A) was initiated before the date of passage of this act; and

(B) complied with IC 6-1.1-15-1, as in effect before the amendments made by this act; or

(2) the review:

(A) is initiated after the date of passage of this act; and

(B) complies with IC 6-1.1-15-1, as amended by this act;

other than the requirement for initiating the review not later than May 10, 2003.

(c) Subsection (b) does not apply if a notice of a change of assessment for the real property for the 2003 assessment date is given to the taxpayer. In this case, the taxpayer may initiate a review of the 2003 assessment of the real property by complying with IC 6-1.1-15-1, as in effect on the date the notice is given.

(d) Except as provided in subsection (e), a review of an assessment of real property for the 2004 assessment date initiated by a taxpayer after May 10, 2004, and not later than forty-five (45) days after the taxpayer receives a tax statement for the property taxes that are based on the assessment of the real property for the 2003 assessment date is valid if the review complies with IC 6-1.1-15-1, as amended by this act, other than the requirement for initiating the review not later than May 10, 2004.

(e) Subsection (d) does not apply if a notice of a change of assessment for the real property for the 2004 assessment date is given to the taxpayer. In this case, the taxpayer may initiate a review of the 2004 assessment of the real property by complying with IC 6-1.1-15-1, as amended by this act.

SECTION 105. [EFFECTIVE UPON PASSAGE] (a) The definitions in IC 6-1.1-1 apply throughout this SECTION.

(b) The department of local government finance may adopt temporary rules in the manner provided for the adoption of

1 emergency rules under IC 4-22-2-37.1 to implement the following:

2 (1) IC 6-1.1-4-39.

3 (2) IC 6-1.1-7-15.

4 (3) IC 6-1.1-31-3.

5 (4) IC 6-1.1-31-6.

6 (5) IC 6-1.1-31-7.

7 (c) A temporary rule adopted under this SECTION expires on
8 the earlier of the following:

9 (1) The date that another temporary rule is adopted under this
10 SECTION or a permanent rule is adopted under IC 4-22-2 to
11 supersede the temporary rule.

12 (2) December 31, 2006.

13 (d) If a tax statement issued under IC 6-1.1-22-8 does not
14 reflect the requirements of IC 6-1.1-4-35 or IC 6-1.1-7-15, as
15 added by this act, and the rules adopted by the department of local
16 government finance, the taxpayer may submit evidence in an
17 appeal under IC 6-1.1-15-1 that establishes the assessed valuation
18 of property by any of the approaches described in IC 6-1.1-4-35 or
19 IC 6-1.1-7-15.

20 SECTION 106. [EFFECTIVE UPON PASSAGE] (a) The
21 department of local government finance may not prescribe a form
22 for taxpayers to request a preliminary conference under
23 IC 6-1.1-15-1, as amended by this act. Any written document
24 containing the information specified in IC 6-1.1-15-1(b), as
25 amended by this act, is sufficient to initiate a preliminary
26 conference under this act.

27 (b) The department of local government finance may modify the
28 form known as the "Form 130" to enable township assessors and
29 taxpayers to report the results of preliminary conferences held
30 under IC 6-1.1-15-1, as amended by this act, to the appropriate
31 county property tax assessment board of appeals.

32 (c) The following provisions apply to a taxpayer who, before the
33 effective date of this act, filed a petition for review of an
34 assessment determination by a township assessor in the manner
35 provided by IC 6-1.1-15-1, as in effect before the effective date of
36 the amendment made by this act:

37 (1) The taxpayer is not required to file a request for a
38 preliminary conference with the township assessor.

39 (2) The provisions of IC 6-1.1-15-1, as in effect before the
40 effective date of this act, with respect to a preliminary
41 conference with the township assessor and a hearing before
42 the county property tax assessment board of appeals apply to
43 the taxpayer's petition.

1 SECTION 107. [EFFECTIVE JANUARY 1, 2004] (a) The
2 definitions set forth in IC 6-1.1-1 and IC 6-3-1 apply throughout
3 this SECTION.

4 (b) As used in this SECTION, "deferred property tax payments"
5 means property taxes imposed on an individual's principal place of
6 residence for the March 1, 2002, assessment date or the January
7 15, 2003, assessment that are paid during calendar year 2004.

8 (c) An individual who pays deferred property tax payments
9 during a taxable year is entitled to a deduction from adjusted
10 gross income for those payments. The amount of the deduction is
11 the lesser of:

12 (1) the amount of deferred property payments paid by the
13 individual during the taxable year; or

14 (2) two thousand five hundred dollars (\$2,500) minus the
15 amount of the deduction, if any, claimed by the individual for
16 the preceding taxable year under IC 6-3-1-3.5(a)(17) for
17 property taxes actually paid by the individual during calendar
18 year 2003.

19 (d) The deduction provided by this SECTION is in addition to the
20 deduction provided by IC 6-3-1-3.5(a)(17) for other property taxes
21 paid during the same taxable year.

22 SECTION 108. [EFFECTIVE UPON PASSAGE] (a) A religious
23 institution may file an application under IC 6-1.1-11 before May
24 11, 2004, for exemption of one (1) or more parcels of real property
25 for property taxes first due and payable in 2002 if:

26 (1) the religious institution did not file an application under
27 IC 6-1.1-11 for exemption of the real property with respect to
28 property taxes first due and payable in 2002;

29 (2) the religious institution acquired the real property in 1999;
30 and

31 (3) the real property was exempt from property taxes for
32 property taxes first due and payable in 2001.

33 (b) If a religious institution files an exemption application under
34 subsection (a):

35 (1) the exemption application is subject to review and action
36 by:

37 (A) the county property tax assessment board of appeals;
38 and

39 (B) the department of local government finance; and

40 (2) the exemption determination made under subdivision (1)
41 is subject to appeal;

42 in the same manner that would have applied if an application for
43 exemption had been timely filed in 2001.

1 (c) If an exemption application filed under subsection (a) is
 2 approved, the religious institution may file a claim under
 3 IC 6-1.1-26-1 with the county auditor for a refund for the payment
 4 of property taxes first due and payable in 2002 with respect to the
 5 exempt property.

6 (d) Upon receiving a claim for a refund filed under subsection
 7 (c), the county auditor shall determine whether the claim is
 8 correct. If the county auditor determines that the claim is correct,
 9 the auditor shall, without an appropriation being required, issue
 10 a warrant to the claimant payable from the county general fund
 11 for the amount of the refund due the claimant. No interest is
 12 payable on the refund.

13 (e) This SECTION expires January 1, 2005.

14 SECTION 109. [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]

15 (a) This SECTION applies notwithstanding the following:

16 IC 6-1.1-3-7.5

17 IC 6-1.1-10-10

18 IC 6-1.1-10-13

19 IC 6-1.1-10-31.1

20 IC 6-1.1-11

21 IC 6-1.1-12.1-5.4

22 50 IAC 4.2-11

23 50 IAC 4.2-12-1

24 50 IAC 10-3

25 50 IAC 16.

26 (b) As used in this SECTION, "taxpayer" means a taxpayer in
 27 a county containing a consolidated city that filed:

28 (1) an original personal property tax return under IC 6-1.1-3
 29 for the March 1, 2001, assessment date using a consolidated
 30 return, Form 103-C; and

31 (2) before March 1, 2003, a Form 133 petition for correction of
 32 an error with respect to the assessed value of the taxpayer's
 33 personal property on the March 1, 2001, assessment date.

34 (c) Before January 1, 2005, a taxpayer may file an amended
 35 personal property tax return for the March 1, 2001, assessment
 36 date.

37 (d) A taxpayer that files an amended personal property tax
 38 return under subsection (c) is entitled to the following exemptions
 39 for the March 1, 2001, assessment date:

40 (1) An exemption for an industrial waste control facility under
 41 IC 6-1.1-10-9.

42 (2) An exemption for an industrial air purification system
 43 under IC 6-1.1-10-12.

(3) An exemption for tangible personal property under IC 6-1.1-10-29, as in effect on March 1, 2001.

(4) An exemption for tangible personal property under IC 6-1.1-10-29.3.

(5) An exemption for tangible personal property under IC 6-1.1-10-30.

(e) The amount of an exemption described in subsection (d)(1) or (d)(2) is based on the total cost of the industrial waste control facility or industrial air purification system reported by the taxpayer on a Form 103-P that must be filed with the amended personal property tax return filed under subsection (c).

(f) The total amount of the exemptions described in subsection (d)(3) through (d)(5) is:

- (1) the total cost of the taxpayer's finished goods reported on Schedule B, line 3 of the taxpayer's amended personal property tax return filed under subsection (c); multiplied by
- (2) the ratio reported by the taxpayer on the Form 103-W filed with the taxpayer's amended personal property tax return.

(g) Before January 1, 2005, a taxpayer may file with the county auditor an application for a deduction from assessed valuation for new manufacturing equipment in an economic revitalization area for the March 1, 2001, assessment date. The taxpayer shall include all necessary attachments to the deduction application.

(h) If a taxpayer files an amended personal property tax return under subsection (c) and a deduction application described in subsection (g), the taxpayer is entitled to a credit in the amount of the taxes paid by the taxpayer on the remainder of:

- (1) the assessed value reported on the taxpayer's original personal property tax return for the March 1, 2001, assessment date; minus
- (2) the assessed value reported on the taxpayer's amended personal property tax return for the March 1, 2001, assessment date filed under subsection (c); minus
- (3) the amount of the deduction from assessed valuation claimed by the taxpayer on an application filed under subsection (g).

(i) The county auditor shall reduce the amount of the credit to which a taxpayer is entitled under subsection (h) by the amount of any property tax refunds paid:

- (1) to the taxpayer for personal property taxes based on the March 1, 2001, assessment date; and
- (2) before the date the taxpayer files an amended personal property tax return under subsection (c).

1 (j) Notwithstanding IC 6-1.1-26, the county auditor shall apply
2 a credit allowed under this SECTION against the taxpayer's
3 property tax liability for property taxes first due and payable in
4 2004 and in each year thereafter until the credit is exhausted.
5 However, the county auditor may refund the remaining credit
6 amount at any time before the credit is exhausted.

7 (k) A taxpayer is not required to file a separate application for
8 the credit allowed under subsection (h).

9 (l) This SECTION expires January 1, 2007.

10 SECTION 110. [EFFECTIVE UPON PASSAGE] The provisions of
11 this act are severable in the manner provided by IC 1-1-1-8(b).

12 SECTION 111. An emergency is declared for this act.
 (Reference is to ESB 1 as printed December 2, 2003.)

Representative Crawford